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ABSTRACT

A multiyear research project was conducted to document and analyze state and local coordination among programs designed to move Aid to Families with Dependent Children (AFDC) recipients in Texas from welfare dependency to economic self-sufficiency and to assess the degree to which coordination resulted in movement from welfare into employment. The project relied on two research components: (1) field visits to selected areas to document the nature and extent of local program coordination in 11 regions, and (2) statistical analysis of agency records to determine the impact of coordination on key outcomes for welfare recipients. Significant changes in the influence of selected program variables on AFDC duration and employment outcomes between the baseline and coordination periods were documented in all regions studied. It was concluded that coordination is indeed improving the performance of welfare-to-work programs in Texas. A series of recommendations for enhancing welfare-to-work program design and improving interprogram and interagency coordination were developed on the basis of insights developed throughout the project. (Contains 42 references. Appended are 24 tables summarizing statistical results by region and 4 tables detailing the influence of marital status on probability of getting on or off the AFDC program.) (MN)

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COORDINATION IN TEXAS PRE-JOBS JOB TRAINING/WELFARE PROGRAMS: FINAL PROJECT REPORT

Final in a Series of Four Reports
on JTPA/Welfare Coordination Efforts

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Final in a Series of Four Reports
on JTPA/Welfare Coordination Efforts

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Field work inevitably disrupts the day-to-day work of local program administrators and staff. Nevertheless, we were given a warm welcome in all the sites we visited in the 1989-1991 period. We spent significant amounts of time examining DHS, TEC, JTPA and education programs in El Paso, Houston, Lubbock (and the surrounding area), Lufkin/Nacogdoches and San Antonio. Offices were opened to us, time was given freely and insights developed from years of experience were graciously shared. We hope a collective acknowledgement of our debt to them will be accepted.

A number of Bureau of Business Research staff contributed to the research effort. Bon-Sung Koo and Rob Widdowson assisted in constructing the data sets; Leslie Lawson, Margaret La Londe and Lisa Garcia provided research and administrative support. Jerry Olson advised the project on econometric issues and was a major contributor to the program analysis. Karen Alan, Adil Abubakar, and Maura Powers provided administrative support at the Center, while Lindy Mings and Mary Jude Peterson served as the Center's office managers and kept the project running smoothly during this time.

The judgments expressed here are the authors'; responsibility for any errors is ultimately ours as well.

I. Introduction

A. Project Overview[1]

Origins. In recent years, there has been growing concern with coordination among publicly-funded programs, including those designed to move welfare recipients off the rolls and into unsubsidized employment.[2] In Texas, a number of programs provide services to welfare recipients enhancing their education and skill levels, assisting them with job placement and ultimately attempting to move them into longer-term unsubsidized employment. These include: employment services provided by the Texas Employment Commission (TEC); job training offered through local programs funded by the Texas Department of Commerce (Commerce) as part of the Job Training Partnership Act (JTPA); vocational education which is overseen at the state level by the Texas Education Agency (TEA) at the secondary level and the Higher Education Coordinating Board at the post secondary level; and services operated directly by the Texas Department of Human Services (DHS). TEA also oversees adult education programs which assist welfare recipients through a network of Adult Education Cooperatives.

Researchers at the Bureau of Business Research and the Center for the Study of Human Resources of the University of Texas at Austin have been analyzing participation in and outcomes from Texas welfare-to-work programs since 1986 and have produced numerous reports, including an evaluation of the State's readiness for implementing the 1988 Family Support Act's Job Opportunities and Basic Skills (JOBS) training program.[3] The Texas Legislature directed Commerce to contract with The University of Texas at Austin for an evaluation of public and private coordination efforts affecting the delivery of job training services to recipients of Aid to Families with Dependent Children (AFDC), especially those targeted for services under JOBS. The project began in October 1989.

Key Project Components and Research Questions. This project has relied on a combination of two research components: 1) field visits to selected areas to document the nature and extent of local program coordination and 2) statistical analysis of agency

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[1]This section draws on earlier reports in the series by Gula and King (1990), Schexnayder, King and Olson (1991), and Schexnayder, King and Gula (1992).

[2]The most recent of these has been produced by teams of researchers at the Urban Institute. See: Nightingale and Burbridge (1987); Burbridge and Nightingale (1989); and an earlier report concerning the preceding Work Incentive (WIN) programs by Mitchell, Chadwin and Nightingale (1980).

[3]For example, see: King and Schexnayder (March and November 1988); and Schexnayder, King and Ambrosino (1989).

records to determine the impact of coordination on key outcomes for participating welfare recipients. Using these methods, researchers addressed two main research questions:

- To what extent are Texas job training, welfare and related programs coordinated at the local level? A sub question is: how has the nature and degree of coordination changed over the period of concern, i.e., the 1985-1989 period?

- How have changes in the nature and degree of coordination among these programs affected participants' program outcomes, especially their employment, earnings and welfare recidivism?

The field work provided information to answer the first question directly and contributed indirectly to answering the second. Researchers visited five local sites in the state in two rounds, interviewing program administrators and staff and collecting reports and other materials to document the nature and extent of coordination among programs designed to move AFDC recipients towards self sufficiency.[4] The five sites were: El Paso, Houston and San Antonio in round one (spring 1990); and Lufkin/Nacogdoches and the rural counties around Lubbock in round two (spring 1991).

The statistical analysis consisted of two parts. In the first, welfare dynamics and employment outcomes were analyzed for AFDC caretakers for FY1986 and FY1987, a period when little program coordination was likely to be occurring between the key agencies serving AFDC recipients.[5] Results from this baseline analysis were reported earlier, including revised estimates of welfare (AFDC) spell duration and rates of recidivism, the degree to which AFDC exit results were successful, and identification of the factors influencing this result, both statewide and for selected substate areas.[6] The present report completes this portion of the research, analyzing differences in welfare participation and employment outcomes for AFDC caretakers between the baseline and coordination periods using FY1989 and FY1990 data and assessing the degree to which coordination has played a role in reducing AFDC duration and improving labor market outcomes.

The second part of the analysis examined program coordination effects on the number and types of AFDC caretakers served by JTPA and changes in participant outcomes occurring between the baseline and coordination periods, both statewide and in five DHS regions and the nine JTPA Service Delivery Areas (SDAs) contained within them.[7] This was accomplished by analyzing JTPA participant files and accompanying UI wage records. That report also featured an analysis of referral and enrollment processes between DHS' REFOCUS and JTPA programs. In conjunction with field surveys, this

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[4]For reports on the field work, see: Gula and King (1990) and Schexnayder, King and Gula (1992).
[5]Texas' state fiscal year (FY) is September 1 to August 31.
[6]See: Schexnayder, King and Olson (1991).
[7]See: Schexnayder, King and Gula (1992).

analysis assessed how well referrals and enrollments were coordinated between DHS and JTPA during the coordination period.

Report Content: Coordination in Texas Pre-JOBS Job Training/Welfare Programs: Final Project Report. This is the last in a series documenting and analyzing state and local coordination among programs targeting AFDC caretakers and their families in order to move them from welfare dependency towards economic self-sufficiency. It analyzes differences in welfare participation and employment outcomes for AFDC caretakers between the baseline and coordination periods, and assesses the degree to which coordination (and other factors) played a role in producing these differences.

This report is organized into four sections. The first, in addition to presenting an overview of the project and its components, provides an update on relevant state coordination initiatives affecting services for AFDC clients, including AFDC/JOBS adult education programs. The second section describes the methodology for the analysis and presents and summarizes key research results concerning both AFDC receipt and employment outcomes. The third section, drawing on insights developed throughout the project, discusses the effectiveness of program coordination in reducing dependency and in improving labor market outcomes. This section provides an overall judgment on the contribution made by program coordination. The final section offers recommendations for enhancing welfare-to-work program design and improving inter-program, inter-agency coordination to benefit AFDC caretakers and their families.

Appendix A contains tables presenting both state and substate results for the DHS regions under study. Appendix B is a brief discussion of the influence of marital status on the other variables used in the analysis. A technical appendix describing data set construction and the statistical methodologies used is available from the authors on request.

B. Coordination Initiatives Update

Earlier reports in this series described in some detail the major Texas welfare -to-work program coordination initiatives—both at the state and local level—during the 1985-1989 period which has been the focus of this study.[8] Important coordination initiatives in that period included: a series of joint DHS/JTPA/TEC Coordination Conferences, the first of which was held in May 1987; the DHS REFOCUS program which began as a pilot effort in its Beaumont, Houston and San Antonio regions in April 1988; TEC's AFDC Job Search Workshops, first offered in mid-1988 with Wagner-Peyser Governor's

[8]See especially Gula and King (1990), Section IV.

Discretionary funding; and the expansion in AFDC/JOBS Adult Education services which was mandated by the Texas Legislature and accompanied by increased state appropriations of $1 million annually in State Fiscal Years (SFYs) 1990-1991.

This section updates the earlier discussions of coordination initiatives related to serving AFDC clients where appropriate. It also discusses several related efforts which were not described previously. The section focuses primarily on the 1989-1991 period. Developments have been positive during this period for the most part.

JTPA Policies Regarding AFDC Services. As described in Gula and King (1990), an effort to promote special job training projects for AFDC caretakers which had begun in 1987 became part of a more comprehensive JTPA policy to serve this population in the PY1988 planning process and continued into 1991. This state-level effort has included, among other important steps, designating AFDC recipients as a "hard-to-serve" group, requiring joint local planning with the JOBS program and offering substate training workshops on joint planning. JTPA has also included significant AFDC/JOBS language in the Governor's Coordination Criteria and offered incentive bonuses of up to 20 percent to SDAs who exceeded their "equitable services" shares for AFDC participants (PY1990-1992). State policy now mandates that these shares be calculated based on either the percentage of total PY1990 terminees who were AFDC recipients or on the incidence (share) of AFDC caretakers in the SDA's poverty population, whichever is greater.

TEC Policies Regarding AFDC Services. TEC has continued to offer enhanced services to AFDC (and now JOBS) participants through the use of Wagner-Peyser 7b Governor's Discretionary (10 percent) funds. As indicated before, TEC offices are continuing to provide services beyond those normally available to walk-in job seekers, including training in life skills, job readiness, job search techniques and, in some cases, access to on-site computer-assisted learning (purchased with JTPA funds). Note that, in the immediate pre-JOBS period, TEC had begun to consolidate these projects into designated JOBS counties only. When DHS began contracting with other providers to serve its Service Level I ("job-ready") participants (e.g., Maximus, Inc. in Bexar, Dallas and Harris counties), TEC shifted these projects into counties where it continued to be a DHS contractor. These efforts will continue at least through August 1992.

A related Wagner-Peyser 7b effort which is important to note here is a $2.9 million initiative, begun at Governor Richard's direction and the urging of a number of community groups, to support the implementation of new projects or new components of ongoing efforts in PY1991-PY1992 which will assist communities in developing more comprehensive approaches to the delivery of education, employment, training and related

human services. The bulk of these funds ($2.5 million) are going to a San Antonio project known as Project Quest. Communities Organized for Public Services (COPS) proposed the project to the San Antonio PIC which is providing $2 million in matching JTPA funds. The City of San Antonio is also providing matching funding from general revenues. The American Institute for Learning (Austin) is also being funded for $200,000; in addition, Mainland Youth-at-Risk, Inc. (Texas City) and the Corpus Christi/Nueces County PIC—which has been a driving force behind its locally-developed Human Investment System (HIS) initiative, along with the local TEC office—are each receiving $100,000.[9]

Joint JTPA/AFDC Eligibility and Referral Policy. The joint JTPA eligibility and referral policy, established for Texas AFDC and Food Stamp recipients in 1989, included a joint referral form (DHS Form 2738) and interagency training on its use. It was intended to expedite AFDC and Food Stamp referrals to and enrollments in JTPA, and to eliminate unnecessary eligibility documentation for JTPA. Although the form was officially transmitted to SDAs in early 1990, DHS adopted it for substate use in mid-1988. Despite the fact that both agencies have adopted the policy, in mid-1991 there still appeared to be wide variation among areas in the extent and consistency of its use. AFDC clients referred to JTPA often do not arrive with the necessary form in hand, and, when they do, it may not be the appropriate copy. Much work remains to be done in this area.

Interagency JOBS Planning. A major coordination initiative launched by DHS in 1989 was directed at forging linkages among the key agencies which were going to be involved in the newly-authorized JOBS program.[10] DHS decided that, in order to implement JOBS in the face of serious resource shortfalls, it would need to cultivate far better interagency relationships. It would also need to conduct a relatively comprehensive tops-down/bottoms-up planning process. In late 1989 and early 1990, DHS created two interagency groups to collaborate with for planning and implementing JOBS: the first, an executive committee of the key agency heads; the second, a Welfare Reform Interagency Planning Group (IPG), comprised of key deputies, program directors and others, representing agencies/programs such as JTPA, TEC, TEA, and the Texas Rehabilitation Commission (TRC).

The first attempts at interagency planning for JOBS in FY1991 which were a result of this effort represented a useful first step, but quickly ran into problems for numerous reasons. Among the problems encountered were: the considerable training and technical

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[9]For more on the Corpus Christi project, see Anderberg (1991).

[10]For a brief description of these efforts, see King and Schexnayder (1991); also see: Schexnayder et al. (1989) and DHS (1989, 1990, 1991).

assistance required which was not forthcoming, timelines for planning were very short and, in the case of JTPA and TEC, at odds with their ongoing planning cycles, and the limited information that was available about the JOBS program for planning, including regional JOBS budgets. The FY1992 JOBS program was begun without the benefit of additional interagency planning.

For FY1993, the interagency planning process is much improved. The IPG devoted considerable effort during the 1990-1992 period toward understanding each others' needs and program environments. The IPG's Service Delivery Subcommittee conducted several local site visits to see JOBS up close. Subsequently, the IPG used this experience to develop a revised set of JOBS Interagency Planning Guidelines, complete with detailed information concerning relevant programs, FY1991 local JOBS program component participation data, and figures estimating local populations of JOBS-eligibles for FY1993.[11] In addition, this time around, the agencies have actively participated in each others' training sessions on program planning (in the proper time sequence) and have attended joint conferences. Ten joint, substate planning workshops funded by JTPA training and technical assistance funds (6%) were held during the summer of 1992.

The major negative development in this interagency process to date involved the communications surrounding DHS' contracting for job search and related services for Service Level I JOBS participants. Note that the issue here is *how* the contracting decisions were made and communicated, not the type of contracting instituted. The DHS Board decided unilaterally to put all JOBS Contracts out for competitive bid in the middle of the first round of JOBS planning. When the dust had settled, TEC—a longtime DHS partner dating from early Work Incentive (WIN) program days in the 1960s—was left with many small contracts in less-populated rural counties and only a few larger ones scattered in urban counties (e.g., El Paso, Tarrant). TEC also held the statewide contract for the Food Stamp Employment and Training Program, another effort administered by DHS/CSS. Contracts for the larger urban counties (i.e., Bexar, Dallas, and Harris) went to Maximus, Inc., a private-for-profit company. Several PICs and other groups were also awarded contracts. The difficulty with this situation was that a key state partner agency lost any real incentive for collaboration at a critical time in program implementation. In fact, TEC was forced to lay off a number of long-time employees who had been involved in some of the more creative coordination initiatives (e.g., Houston's Independence 365 project). Ironically, in mid-April 1992, DHS announced that it was returning to a statewide JOBS contract with TEC effective September 1, 1992. This decision too was made without prior consultation of its interagency partners.

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[11] See DHS (1991).

AFDC/JOBS Adult Education Services. The 71st Texas Legislature added a rider to TEA's appropriations bill in 1989 which provided for a significant expansion in Adult and Community Education services targeted to AFDC recipients. For the FY1990-1991 biennium, an additional $1 million annually was set aside for this group, specifically to prepare for and assist in the implementation of the new JOBS program. This adult education expansion is one of a handful of notable positive steps in the State's implementation of JOBS. Additional details of this initiative are presented in the following section.

C. Adult Education for AFDC Recipients

In the absence of an interagency financial agreement between DHS and TEA, these additional FY1990 adult education funds were passed directly to the 62 Adult Ed Coops throughout Texas. Moreover, since Texas did not implement JOBS until October 1990, the state monies were not eligible for matching federal funds. As indicated in the earlier report,[12] these funds were not accessed by the Coops for numerous reasons until January 1991, well into FY 1990. DHS and TEA successfully negotiated a financial agreement for FY1991, spelling out substate allocation methods, program services and reporting requirements. Thus, these FY1991 state funds were augmented by federal matching funds at the Medicaid match rate, bringing the total AFDC/JOBS Adult Education resource commitment for the first year of JOBS to just over $2.7 million.

The nature of services provided and the types of AFDC/JOBS participants served with these funds during FY1990-1991 can be seen from examining Table 1, Adult Education Services for AFDC/JOBS Participants. However, detailed reporting to TEA on the use of these funds was largely voluntary during this period, so the extent to which this is an accurate representation of activities around the state is unclear. Moreover, Coops did not specifically identify AFDC recipients on their reports prior to FY1990. Instead, the generic term "welfare" was the sole category denoting AFDC, Food Stamp, Refugee Cash Assistance (RCA) and any local public assistance recipients. Thus, the extent to which this represents a departure from past AFDC adult education efforts is also unclear.

A number of general impressions can be offered based on student contact hours reported to date[13]. First, the number of reported student contact hours more than tripled from SFY 1990 to SFY 1991. Second, the typical students being served are largely (about

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[12]Gula and King (1990), p. 20.

[13]In SFY 1990, 2665 student contact hours were provided to AFDC recipients statewide with 27 of 41 participating Coops reporting; in SFY 1991, the figure exceeded 8500 hours based on reports from 42 of the 51 participating Coops. These figures represent unduplicated counts of student contact hours.

60 percent) in the 25-44 year range and members of minority groups (around 80 percent), with Hispanics increasing their share during the period from SFY 1990 to SFY 1991. Of course, most of AFDC adult education hours reported were for females (94 percent for each year). This may change as the newly-implemented AFDC-Unemployed Parents program expands and more males from two-parent families seek services. Third, slightly more AFDC-oriented adult education services are being offered at the higher levels: while around 70 percent of all hours reported were at the Beginning and Intermediate levels in 1990, this figure had fallen to 65 percent in 1991. Finally, English as a Second Language (ESL) services at all levels make up only a small share of the total, with most such services being at the lowest (Beginning) level overall, only eight percent of student hours were in ESL instruction. At this time, no outcomes data are available for AFDC/JOBS Adult Education programs.

One other dimension of Adult Education's efforts to coordinate with welfare-to-work programs in Texas should be mentioned. TEA has made a very concerted effort to work collaboratively with DHS and the other agencies involved in JOBS and preceding welfare-to-work programs. An important reflection of this effort is the series of spring conferences offered by TEA each year which focus on the JOBS program, with workshops conducted by staff from the numerous state and local agencies/programs involved as well as the research community.

Table 1
Adult Education Services for AFDC/JOBS Participants,
Texas State Fiscal Years 1990-1991

	SFY 1990	SFY 1991
AFDC/JOBS Adult Education Appropriations	$1.0 million	$2.7 million[a]
Student Contact Hours[b]	2,665	8,539
Percent Distribution of Students by:		
• Total	100%	100%
• Adult Education Level:		
- Beginning ABE	37%	23%
ESL	4%	6%
- Intermediate: ABE	28%	35%
ESL	1%	1%
- Advanced ESL	--	1%
- Adult Secondary Education	30%	35%
• Gender:		
- Male	6%	6%
- Female	94%	94%
• Age:		
- 16-24 years	32%	36%
- 25-44 years	64%	58%
- 45 years and over	5%	5%
• Race/Ethnicity:		
- White (Non-Hispanic)	21%	19%
- Black (Non-Hispanic)	49%	41%
- Hispanic	29%	38%
- Other[c]	--	1%

Source: Unpublished TEA figures.

NOTES:

[a]Includes federal JOBS matching ($1.7 million) for SFY 1991.

[b]Unduplicated counts, based on voluntary reporting by some Adult Education Cooperatives: 27 of 41 participating Cooperatives reported in SFY 1990 and 42 of 51 in SFY 1991.

[c]Includes Asian/Pacific Islanders and American Indian/Alaskan Natives.

II. Effect of Coordination on AFDC Duration and Labor Market Outcomes

A. Research Methodology

Research questions. To measure the effectiveness of program coordination in serving AFDC caretakers in welfare-to-work programs, the following research questions were developed:

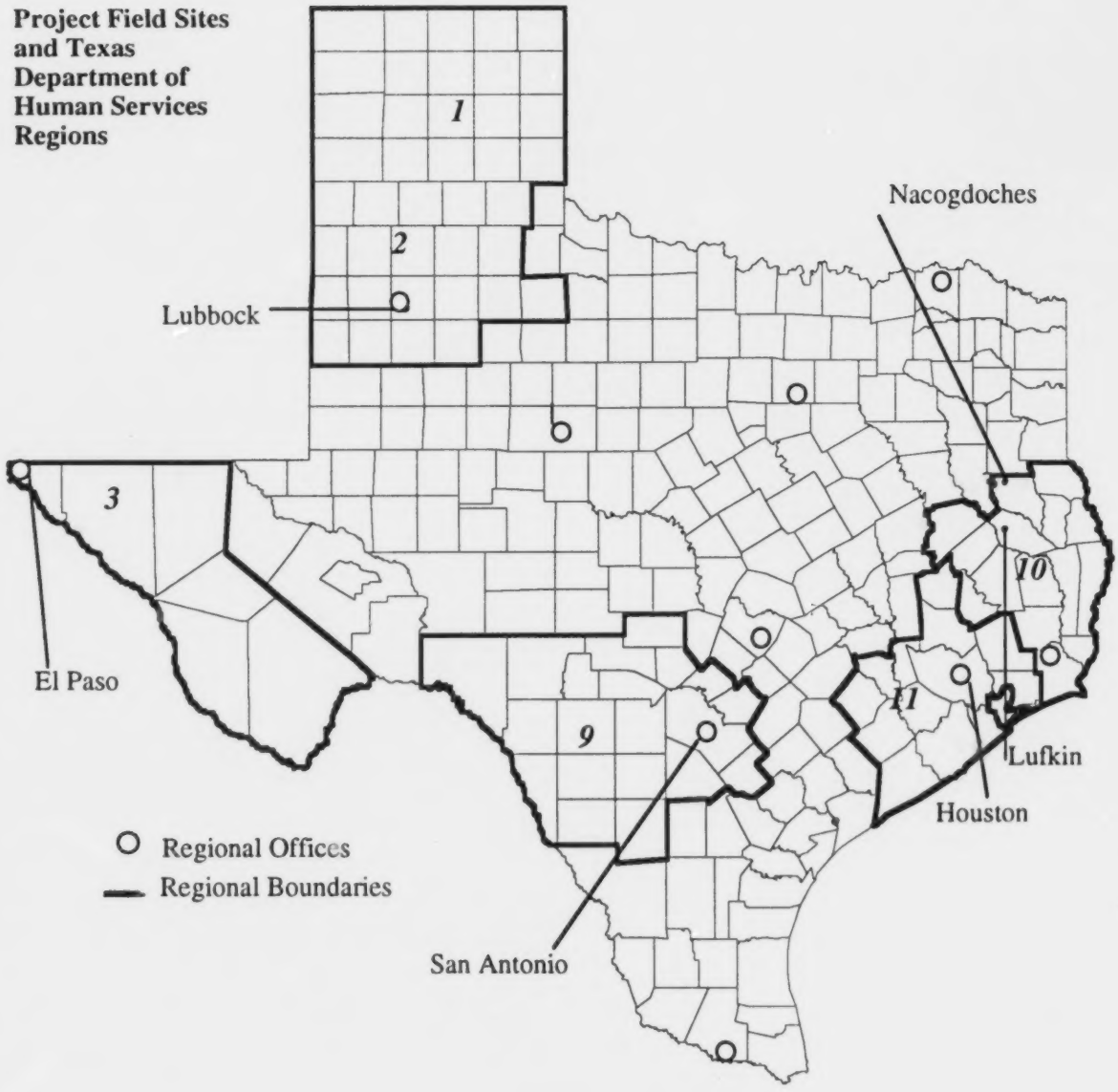
- What are the differences in spells of AFDC receipt, probability of exit from and re-entry to AFDC rolls, and probability of employment and employment retention for AFDC recipients between the baseline and coordination periods?
- Which factors significantly affect changes in welfare dynamics and labor market outcomes between the two periods?
- To what extent can these changes be attributed to coordinated programs?

Answering these questions is not a straightforward process. A number of factors other than program coordination can influence an individual's chances of leaving AFDC and becoming employed. Changes in family status, length of previous AFDC receipt, or general economic conditions have all been shown to affect AFDC duration. To accurately measure the effect of program coordination, changes in other factors that influence AFDC duration and employment prospects must first be taken into account.

Once the effects of personal and labor market factors are measured, the change in program variables between the baseline and coordination periods can be determined. Comparisons of the relative importance of the JTPA and ES variables over time and across geographical regions will provide important evidence in assessing the influence of program coordination. To show that coordinated programs are effective, one would expect these variables to significantly reduce AFDC duration and improve employment prospects between the baseline and coordination periods in substate areas with coordinated programs without similar results occurring in regions with little coordination.

Geographic Coverage. Both the entire state of Texas and five substate regions are examined in this analysis as indicated in Figure 1. These regions were chosen to represent areas with varying degrees of interagency coordination during the period of study and to ensure some degree of diversity in urban/rural character and in race/ethnic composition. DHS Region 3 (El Paso) was selected because of its history of operating coordinated interagency programs and its impressive outcomes for AFDC caretakers in

Figure 1


Project Field Sites and Texas Department of Human Services Regions
1
2
3
9
10
11
Nacogdoches
Lubbock
El Paso
Lufkin
Houston
San Antonio
Regional Offices
Regional Boundaries

JTPA programs during the baseline period.[14] DHS Regions 9 (San Antonio), 10 (Beaumont/Port Arthur), and 11 (Houston) were selected because DHS' REFOCUS program was initiated in these regions and was in operation throughout the coordination period. Finally, Region 1/2 (Amarillo/Lubbock) was selected because it was among the last regions of the state to begin REFOCUS. Since REFOCUS did not begin in Region 1/2 until November 1989, any changes in outcomes during the study period should most likely be attributed to factors other than REFOCUS.

Time Period. This research covers the five-year period from September 1, 1985 through June 30, 1990. The *baseline period*, during which little program coordination was likely to be occurring between the agencies serving AFDC recipients, encompasses activity occurring between September 1, 1985 through August 31, 1987. The *coordination period*, during which REFOCUS was operating in several regions of Texas, covers activity occurring between September 1, 1988 and June 30, 1990. While the study analyzes the benefits of interagency coordination for persons who are likely to participate in the JOBS program, it should be noted that the period of this study ends prior to October 1, 1990, the starting date for the JOBS program in Texas.

Research Sample. To conduct this statistical analysis, researchers assembled an extensive, individual-level data base drawn from AFDC, JTPA, and ES program files, matched to the longitudinal employment and earnings files maintained by TEC as part of the Unemployment Insurance (UI) system. These data were augmented with local population and economic information from various sources maintained by the Bureau of Business Research at UT Austin.

Statewide samples of approximately 20,000 individuals each for both the baseline and coordination periods were selected randomly from the caretakers on the statewide AFDC rolls in each of those time periods. AFDC data, obtained from DHS, described spells of AFDC receipt and several demographic characteristics of caretakers. Social security numbers were then matched to those in data files provided by the other state agencies to generate master datasets. TDOC provided JTPA data and TEC provided employment services (ES) data as well as quarterly earnings data from the UI Wage

[14]See: King and Schexnayder (December 1988).

Records. Data describing economic conditions in the caretaker's county of residence were also added.[15]

Regional data sets were constructed using the same approach. For most regions, all AFDC caretakers were included in the data sets. For Region 11, a sample of 20,000 caretakers was selected.

Estimation Method. Many kinds of economic situations, such as employment and unemployment, are described as spells—durations of time when a person is in one state or its opposite. Spell data utilize start and stop dates to indicate the change from one state to another. Because of the discrete nature of the states and the fact that the person under observation changes states over time, modeling spell data requires different statistical tools than modeling ordinary time-series data.

For this analysis, the researchers selected an approach which attempts to measure the probability of a change of state during any period of time as a function of relevant variables measured during that period.[16] In the analysis of AFDC spells, for example, estimates of the probability that a person will exit AFDC in any month as a function of the person's race, ethnic background, age, time on AFDC so far, whether or not in JTPA, how much JTPA completed, and so forth, are obtained. The selected approach shows which of these variables has a significant effect on exit probability, and the strength of that effect.[17]

Several key outcomes were measured using the approach described above:

- probability of exit from the AFDC rolls in any given month and expected duration of current AFDC spell;
- probability of re-entry to the AFDC rolls in any given month for persons who have had a previous spell of AFDC receipt and expected length of time between AFDC spells;
- probability of exit from the AFDC rolls due to employment in any given mor th; and
- probability of former AFDC recipients remaining employed in any given quarter and the expected total duration of employment (in quarters).

Variables Used in this Analysis. The factors affecting an AFDC recipient's chances of exiting from or returning to the AFDC rolls or obtaining and retaining

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[15]A number of procedures were performed to verify the reliability of the data. These procedures, as well as a more complete description of the data set construction procedure, are described in Schexnayder, King and Olson (June 1991).

[16]Boskin and Nold (Winter 1975).

[17]The choice of estimation method is described more fully in Schexnayder, King and Olson (June 1991).

employment have been grouped into four areas.[18] The variables in each group are listed below and described more completely in Table 2.

- Personal (demographic) characteristics, including caretaker age, sex, and race/ethnicity, caretaker age at the beginning of first AFDC spell, number of children, age of youngest child, and age of oldest child at the beginning of first AFDC spell;
- Environmental factors, including population density and unemployment rate;
- Program participation factors, such as current participation in either JTPA or ES and total days of JTPA or number of ES services received to date; and
- AFDC effects, primarily the total duration of all AFDC spells to date.

Table 2
Independent Variables Used in the Analysis

Category	Variable	Description
Personal		
	AGE1	Age of caretaker at start of first spell
	AGEO25	Dummy variable for caretaker over 25 years old
	AGEU18	Dummy variable for caretaker under 18 years old
	BLACK	Dummy variable for caretaker of Black race
	EARNPOST	Amount of UI earnings reported for caretaker
	HISPANIC	Dummy variable for caretaker of Hispanic ethnicity
	KIDEAGE1	Age of eldest child at start of caretaker's first spell
	KIDYAGE	Contemporaneous age of youngest child
	MALE	Male caretaker
	MT1KID	More than one child
	NOHS	Lack of high school education
	TEENMOM	Dummy variable for caretaker having been a teen mother
Environmental		
	RURAL	Dummy variable for caretaker in county with <100 persons per sq mi.
	UNEMP	Unemployment rate in caretaker's county
	URBAN	Dummy variable for caretaker in county with >600 persons per sq mi.
Program		
	ESCURR	Dummy variable for current ES activity
	ESNUM	Number of ES services received from 9/1/85 to date
	JTPACURR	Dummy variable for current JTPA activity
	JTPADUR	Number of JTPA days from 9/1/85 to date
AFDC Effect		
	AFDCDUR	Total time in all AFDC spells to date

[18]This grouping follows the national welfare dynamics literature and continues the conceptual framework used by King and Schexnayder (1988) in earlier works.

Research Constraints. As is true for all research, this project has been limited by the data available for analysis. These data deficiencies fall into two categories: 1) structural limitations caused by the absence of a control group and 2) missing variables in the available data files.

Estimation of true program impacts requires the use of experimental evaluation designs—complete with random assignment of individuals to treatment and non-treatment groups—such as those now being employed in the multi-year evaluation of JTPA being conducted nationwide by MDRC and Abt Associates.[19] The current research reports *gross* rather than *net* impacts or outcomes for individuals who have been on AFDC and who have participated in either JTPA or TEC programs.

The combined administrative data files over a five-year time span from the various state agencies allow a detailed analysis of welfare-to-work programs in Texas that cannot be achieved by studying each agency's data separately. Even with these extensive files, however, several data deficiencies still exist. These include the following:

- National research on welfare dynamics suggests that three fourths of all entries and re-entries onto the AFDC rolls result from a change in family status.[20] Having a child without ever having been married is a particularly important variable in predicting the probability of exit and overall duration of AFDC receipt. Because this variable is absent from the DHS administrative files, those variables that are highly correlated with having an out-of-wedlock child will assume more importance in the results than they should. A separate analysis of the AFDC Quality Control sample, described in Appendix B, identifies those variables that are carrying the weight statistically for the absence of a marital status variable in the regressions.

- During the period of study, AFDC administrative files did not include a variable that measured the years of education completed. Education values were available for 73 percent of the baseline sample and 87 percent of the coordination sample from other sources. Standard statistical estimation methods were used to impute values for those caretakers for whom years of schooling data were missing.[21] Some error is present in the education variable as a result.

- The employment variable used in this analysis has been constructed from UI quarterly earnings records.[22] While the researchers believe that this approach most accurately captures substantive employment of at least one month's duration, the formula that was used to indicate employment may have misrepresented true employment. Readers familiar with employment related measures reported by the

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[19]Doolittle and Traeger (1990).

[20]Bane and Ellwood (1983).

[21]See Schexnayder, King and Olson (June 1991) for documentation of the statistical procedure used to estimate education values.

[22]King and Schexnayder (December 1988), found that each agency under-reported placements for this population. Also, the definitions of employment varied by agency over time. Given these findings, the authors have concluded that the UI wage records contain the most reliable data for measuring employment. The criteria used to measure employment are contained in the technical appendix available from the authors by request.

various administrative agencies may find that these results sometimes differ dramatically from those reported by each agency.

- Finally, several key variables rely on self-reported information from AFDC recipients. Every attempt has been made to identify and eliminate inaccurate data. Inevitably some inaccuracies remain, leading to bias in the results.

B. Research Results

As described in the baseline report, the methodology used in this research moves past taking a snapshot of AFDC caretakers at a point in time toward the measurement of expected outcomes for persons with certain characteristics. This estimation methodology traditionally requires that a reference case (or person) be established. The impact of a change in each of the independent variables is then estimated against this reference person. The choice of a reference person does not affect the influence of a particular variable, only the manner in which the results are explained. The reference AFDC caretaker used for this analysis is:

> a 22-year-old white female with a two-year-old child. She is a high school graduate, lives in a mid-sized county, and was 21 years old at the start of her first AFDC spell. She has no previous AFDC receipt and has not participated in any JTPA or ES programs nor earned any UI wages during the baseline period.

The influence of all the variables listed in the previous section on AFDC and labor market outcomes was discussed fully in an earlier report.[23] The purpose of this report is to measure the change in the relative influence of the JTPA and ES program variables between the baseline and coordination periods and to compare the differences in such changes among the pilot coordination regions and the comparison regions. Although complete regression results for all variables are included in Appendix A, only the changes in the influence of program variables will be discussed below.

Influence of Program Variables on Probability of Exit from AFDC. Figure 2 displays the differential effects that receipt of ES and participation in JTPA had on a caretaker's chances of leaving AFDC in a given month after controlling for the effects of other variables (e.g., demographics, environmental). Receipt of current employment services from TEC (ESCURR) will be used to illustrate how to read the information on the charts in Figure 2 and the following figures.

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[23]Schexnayder, King and Olson (June 1991).

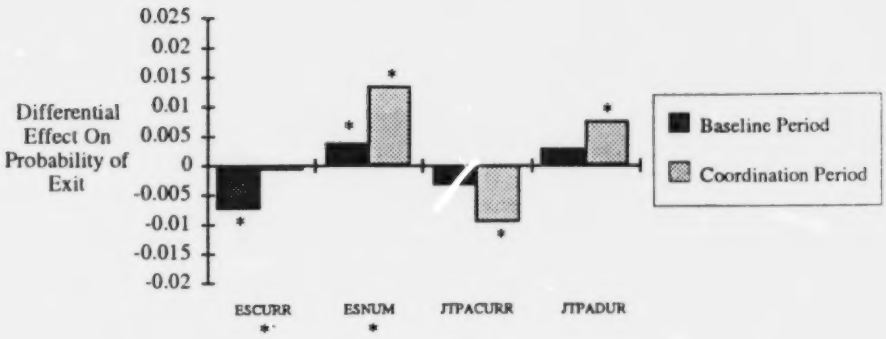
ESCURR reduced the probability of exit from AFDC by .0073 during the baseline period.[24] This value was significantly different from the exit probability for the reference person at the 95 percent confidence interval, as indicated by the asterisk attached to the bar for the baseline period. In the coordination period, however, the difference between the probabilities of exit for the reference person and someone receiving ESCURR was only -.0038. Because this value is not significantly different from the reference value, no asterisk is attached to the ESCURR bar for the coordination period. Finally, the change in the relative influence of ESCURR between the two periods was significantly different at the 95 percent confidence interval. This change is indicated by the asterisk attached to the variable name ESCURR beneath the graph. A similar interpretation can be made for each variable in Figures 2-5.

For the state as a whole, the current receipt of ES (ESCURR) in the baseline period and JTPA (JTPACURR) in the coordination period decreased a caretaker's chances of leaving AFDC in a given month. However, the number of ES services received (ESNUM) in both periods and the total days of JTPA receipt (JTPADUR) in the coordination period positively influenced a caretaker's chances of leaving the rolls.

[24]The differential effect (.0073) was calculated by subtracting the exit probability for the reference person (.0550) from the exit probability for a caretaker receiving ESCURR (.0477). These probabilities are presented in Table A-1.

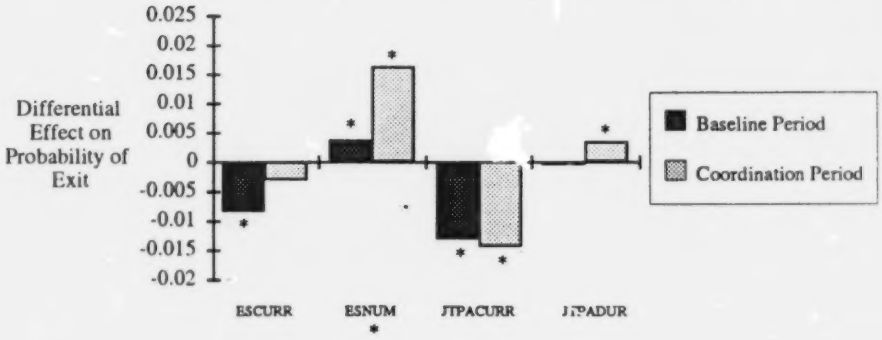
Figure 2
Differential Effects of Program Variables on Probability of Exit from AFDC in Texas Baseline-to-Coordination Period Comparison

Statewide



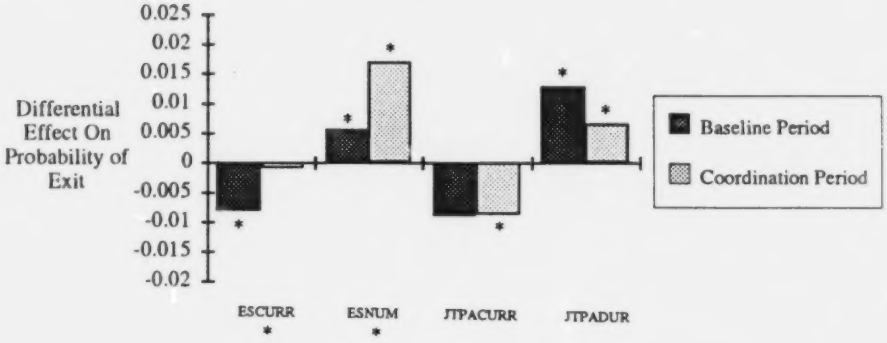
Source: Appendix Table A-1.

Region 1



Source: Appendix Table A-5.

Region 3

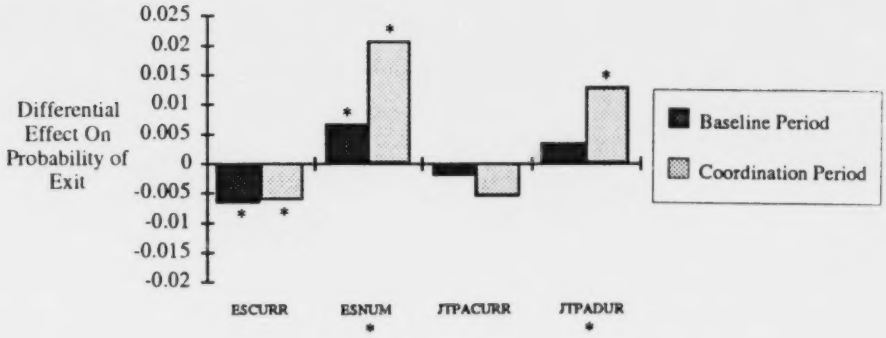


Source: Appendix Table A-9.

Note: Based on two-tailed tests in all cases, * denotes statistical significance at the 95 percent confidence level. Significance levels attached to variable names indicate that the inter-period differences were significant.

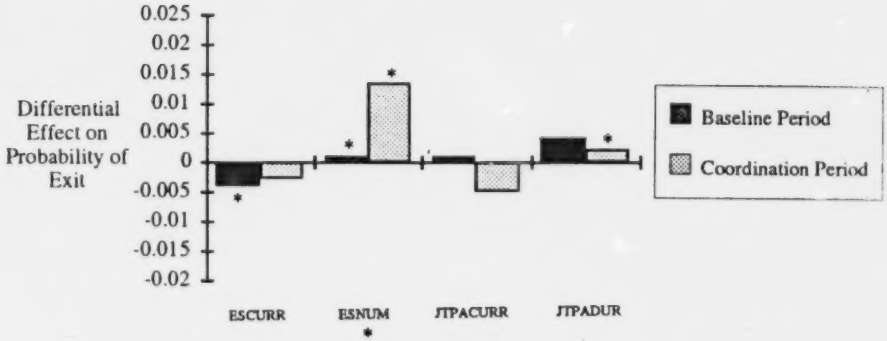
Figure 2 (continued)

Region 9



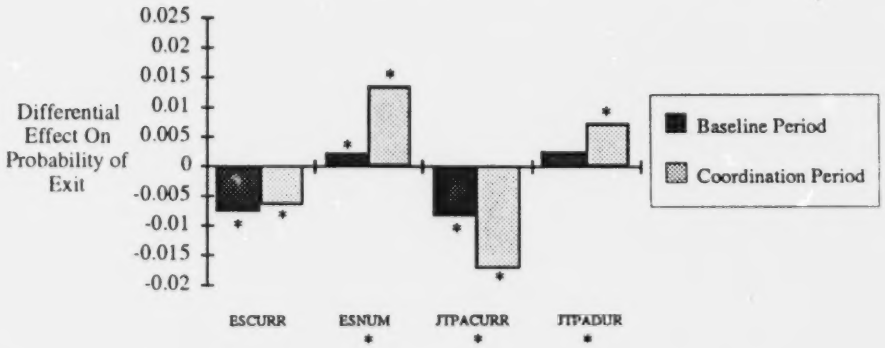
Source: Appendix Table A-13.

Region 10



Source: Appendix Table A-17.

Region 11



Source: Appendix Table A-21.

Note: Based on two-tailed tests in all cases, * denotes statistical significance at the 95 percent confidence level. Significance levels attached to variable names indicate that the inter-period differences were significant.

Even though the strengths of the effect of individual variables varied substantially by region, a similar pattern was observed in all of the regions studied. While current receipt of ES or JTPA services decreased a caretaker's chances of leaving AFDC in a given month, the cumulative receipt of such services in the past increased a caretaker's chances of leaving the rolls.

Influence on Program Variables on Probability of Re-Entry to AFDC. Figure 3 shows the effect of program variables on the probability of re-entry onto the AFDC rolls for persons who have been on AFDC previously but were not receiving AFDC benefits in the current month. One of the strongest influences on re-entry to AFDC for both the baseline and coordination periods was the current receipt of ES services (ESCURR). This indicates that former AFDC caretakers were actively seeking employment when they returned to the AFDC rolls and suggests that they were familiar with the services that TEC offered in helping individuals look for employment. Note that there was no significant change in the nature of this variable between the periods.

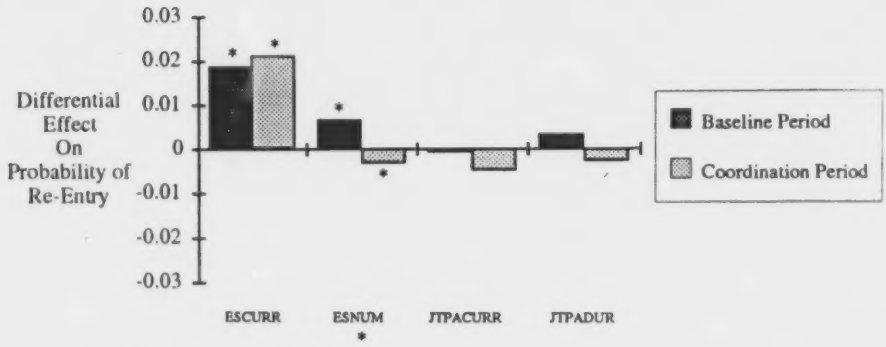
An encouraging change between the baseline and coordination periods was the change in influence of the number of ES services received (ESNUM). In the baseline period, a larger number of ES services actually increased a person's chances of returning to AFDC. By the coordination period, however, the direction of this change was reversed, so that having received a greater quantity of prior ES services decreased a person's chances of returning to AFDC. Moreover, this change was statistically significant at the state level. This could indicate that the changed content of ES services for AFDC recipients during the coordination period was having some impact (although small) in keeping previous AFDC caretakers from returning to the AFDC rolls.

Neither JTPA variable had any statewide influence on re-entry to AFDC in either the baseline or coordination period. However, several of the substate regions experienced a reversal in the influence of having prior JTPA participation (JTPADUR) between the baseline and coordination periods. In these regions the duration of prior JTPA in the coordination period reduced a former caretaker's chances of returning to AFDC.

Influence of Program Variables on Probability of Exit from AFDC to Employment. Figure 4 shows the influence of ES and JTPA on the probability of exit from AFDC due to employment. Employment is defined as having earned sufficient UI wages to remove a caretaker's family from AFDC for at least one month. This definition excludes exits to sporadic or extremely low-paying employment. Of the persons sampled

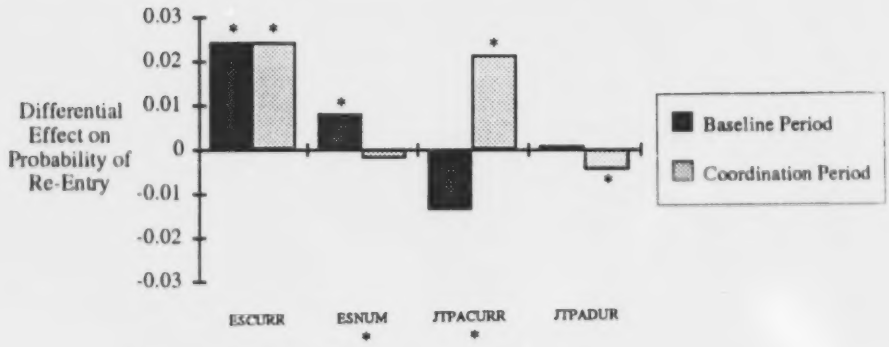
Figure 3
Differential Effects of Program Variables on Probability of Re-Entry to AFDC in Texas Baseline-to-Coordination Period Comparison

Statewide



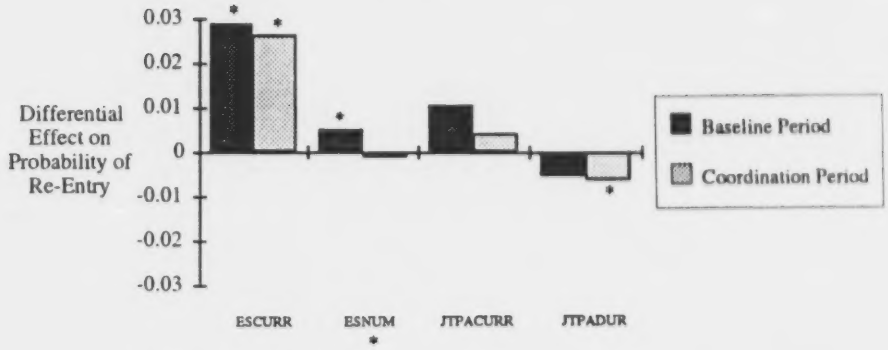
Source: Appendix Table A-2.

Region 1



Source: Appendix Table A-6.

Region 3

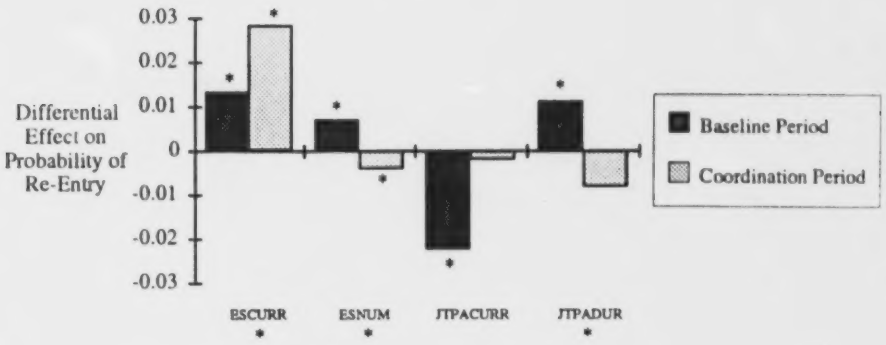


Source: Appendix Table A-10.

Note: Based on two-tailed tests in all cases, * denotes statistical significance at the 95 percent confidence level. Significance levels attached to variable names indicate that the inter-period differences were significant.

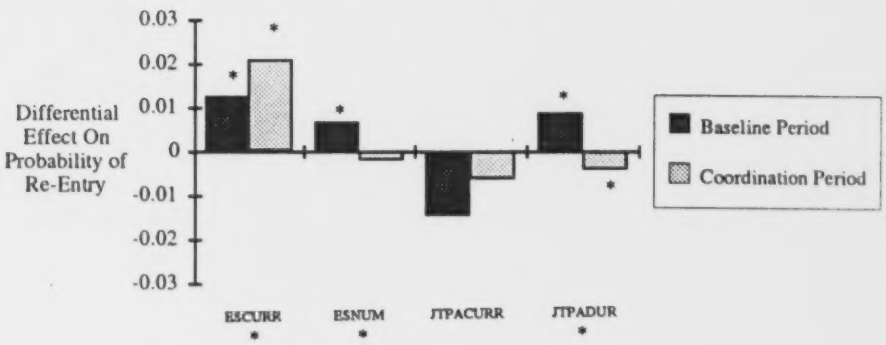
Figure 3 (continued)

Region 9



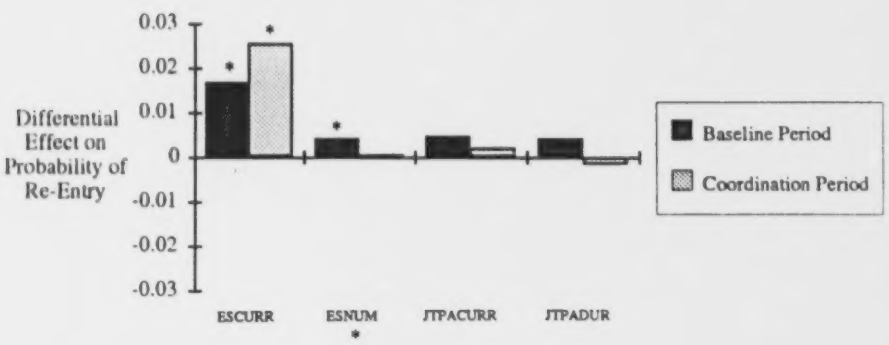
Source: Appendix Table A-14.

Region 10



Source: Appendix Table A-18.

Region 11

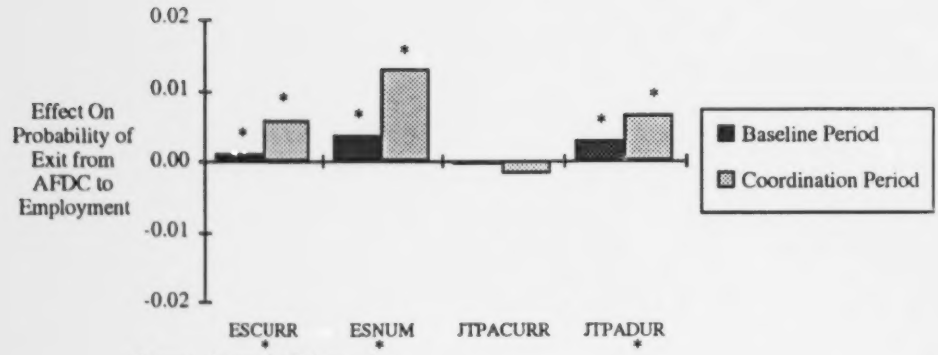


Source: Appendix Table A-22.

Note: Based on two-tailed tests in all cases, * denotes statistical significance at the 95 percent confidence level. Significance levels attached to variable names indicate that the inter-period differences were significant.

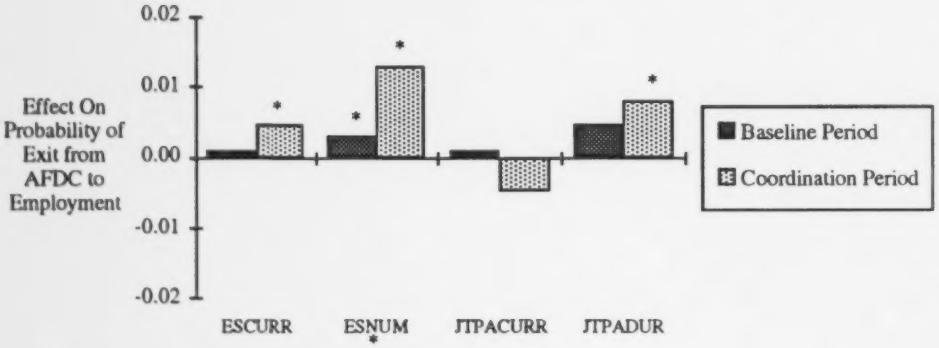
Figure 4
Differential Effects of Program Variables
on Probability of Exit from AFDC to Employment in Texas
Baseline-to-Coordination Period Comparison

Statewide



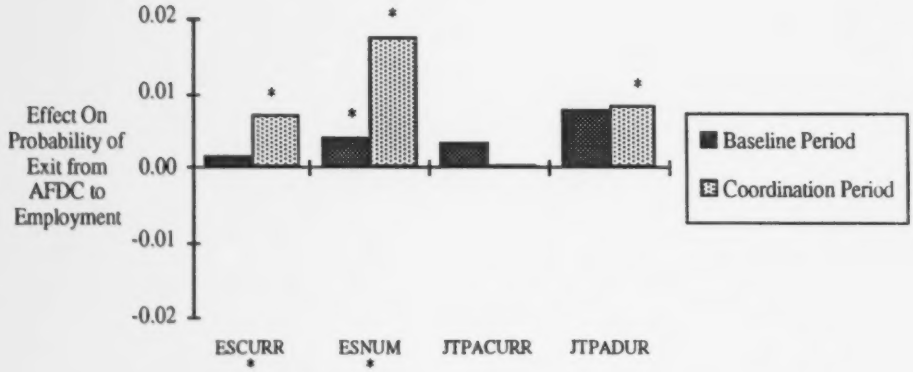
Source: Appendix Table A-3.

Region 1



Source: Appendix Table A-7.

Region 3

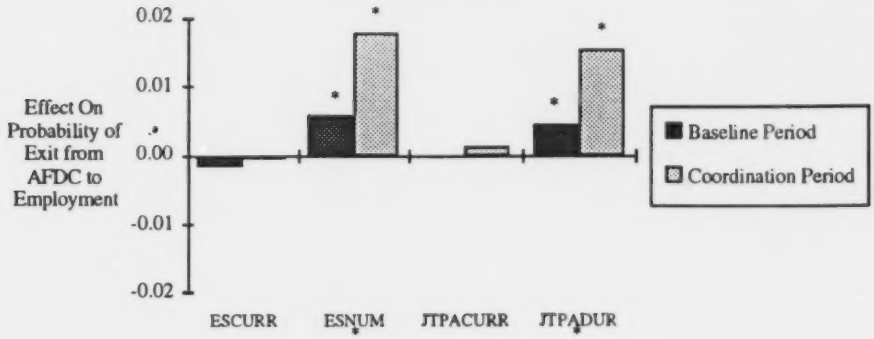


Source: Appendix Table A-11.

Note: Based on two-tailed tests in all cases, * denotes statistical significance at the 95 percent confidence level. Significance levels attached to variable names indicate that the inter-period differences were significant.

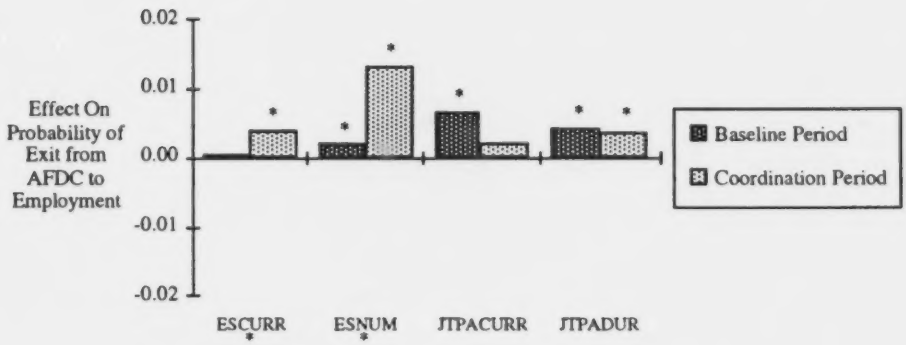
Figure 4 (continued)

Region 9



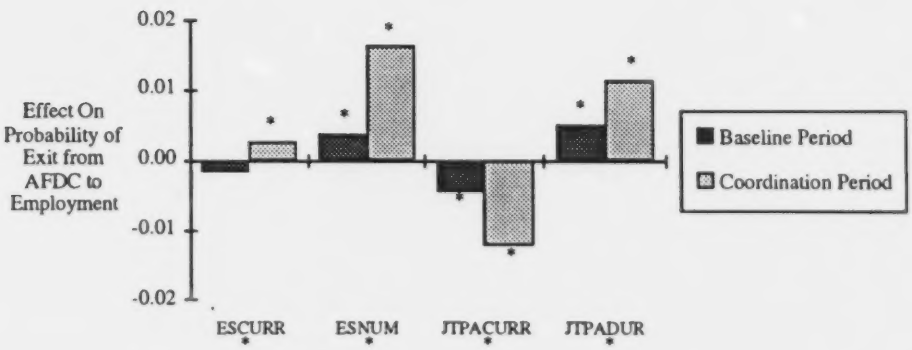
Source: Appendix Table A-15.

Region 10



Source: Appendix Table A-19.

Region 11



Source: Appendix Table A-23.

Note: Based on two-tailed tests in all cases, * denotes statistical significance at the 95 percent confidence level. Significance levels attached to variable names indicate that the inter-period differences were significant.

over the five years of this study, about a third of all AFDC exits were due to employment as defined here.

Statewide, the influence of program variables on exits to employment is similar to the influence of program variables on all exits, except for the influence of ESCURR, which has a negative influence on all exits, but a positive influence on exits to employment. For both kinds of exits, the influence of having received JTPA (JTPADUR) or TEC (ESNUM) services is positive in both the baseline and coordination periods. Further, the influence of past JTPA and TEC participation is stronger in the coordination than in the baseline period, a sign that coordination is having the desired result.

In most of the regions, the results are similar to the statewide results. The influence of past JTPA or TEC participation is uniformly positive and significant in all regions. For current TEC participation, the influence on exit probability is positive in all regions except Region 9, where it is negative but not significant, and Region 11 where it is negative but not significant in the baseline period. The influence of current JTPA participation was usually negative and insignificant in the regional regressions; however in Region 10 it was significant and positive in the baseline period, and in Region 11 it was negative and significant in both periods.

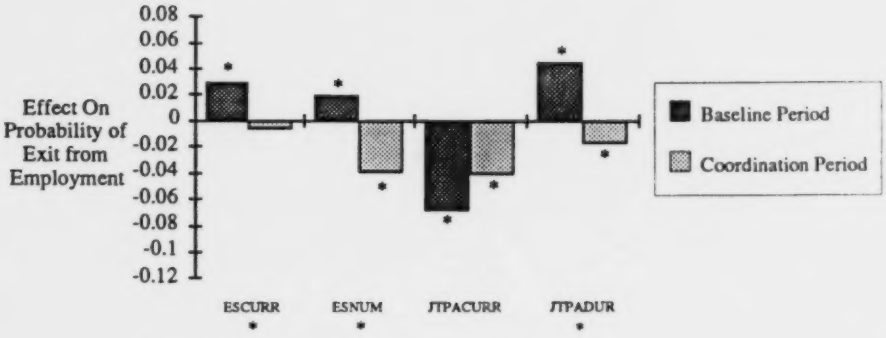
Influence of Program Variables on Probability of Job Loss for Former AFDC Recipients. The influence of program variables on employment duration for former AFDC recipients is displayed in Figure 5. Again, because the UI earnings data used in this analysis are reported quarterly, the probabilities for job loss and expected length of employment duration were also computed on a quarterly basis.

In the baseline period, current receipt of ES services (ESCURR), the total number of ES services (ESNUM), and the total days of JTPA receipt (JTPADUR) all *increased* the likelihood that a former AFDC caretaker would become unemployed. Only current receipt of JTPA services (JTPACURR) was associated with longer employment duration, which might be explained by caretakers' participation in JTPA OJT or work experience programs that paid wages. By the coordination period, however, none of the program variables increased a former caretaker's chances of becoming unemployed and three of the four (ESNUM, JTPACURR and JTPADUR) increased prospects for longer employment duration.

This change in the direction of influence of program variables on employment duration was one of the most encouraging results of this study. It parallels and may reflect the change in focus of these programs from placement in any kind of job to placement in jobs that were more likely to result in economic self-sufficiency for AFDC caretakers. These statistical results suggest that the programs succeeded in accomplishing this goal during the coordination period.

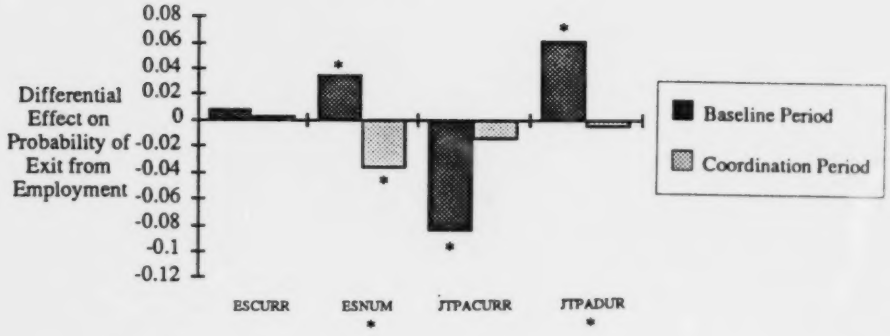
Figure 5
Differential Effects of Program Variables on Probability of Job Loss in Texas Baseline-to-Coordination Period Comparison

Statewide



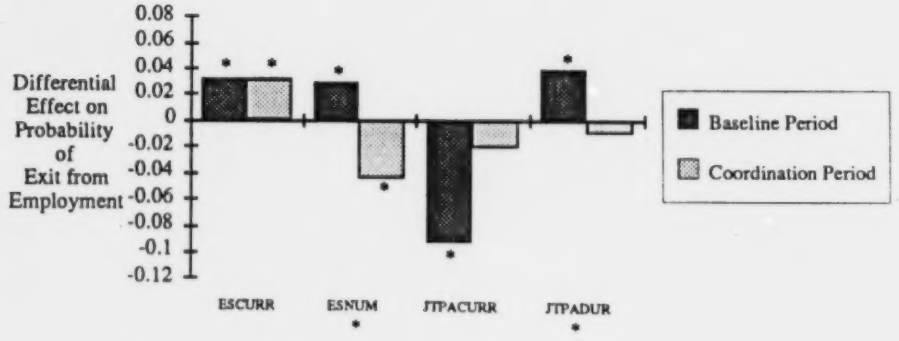
Source: Appendix Table A-4.

Region 1



Source: Appendix Table A-8.

Region 3

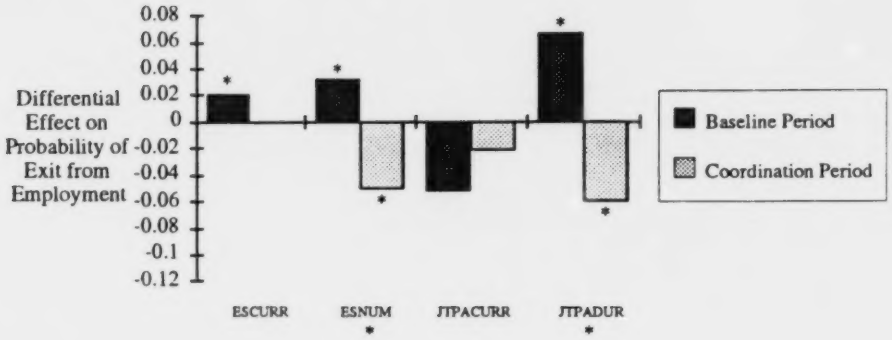


Source: Appendix Table A-12.

Note: Based on two-tailed tests in all cases, * denotes statistical significance at the 95 confidence percent level. Significance levels attached to variable names indicate that the inter-period differences were significant.

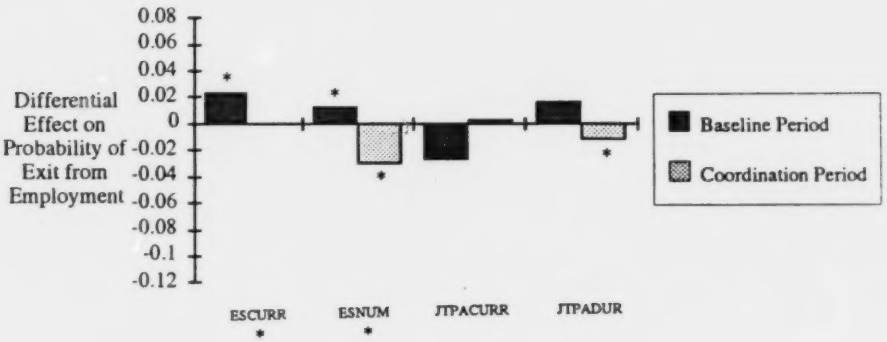
Figure 5 (continued)

Region 9



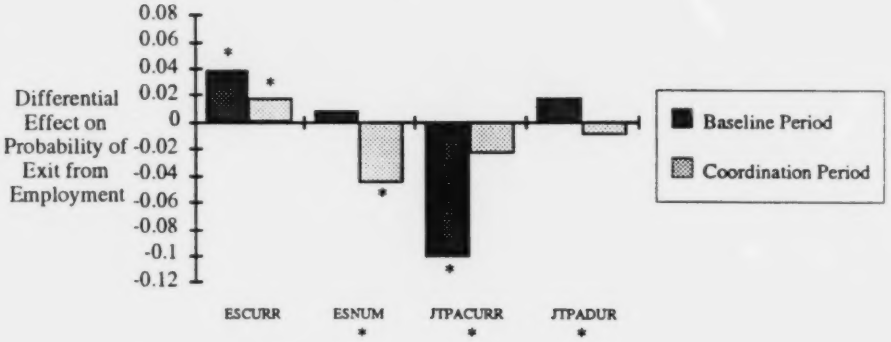
Source: Appendix Table A-16.

Region 10



Source: Appendix Table A-20.

Region 11



Source: Appendix Table A-24.

Note: Based on two-tailed tests in all cases, * denotes statistical significance at the 95 percent confidence level. Significance levels attached to variable names indicate that the inter-period differences were significant.

Effect of Coordination on Influence of Program Variables. The program variables generally improved their influence on AFDC and employment outcomes between the baseline and coordination periods. During this time, changes were occurring in all of the programs. In general, there was a heightened awareness that longer and more intensive training produced better and longer-lasting employment outcomes for AFDC recipients.

Determining the extent to which coordination influenced this change is a far more difficult process, particularly in the absence of a control group. However, careful study of the changes among the substate regions can give some indication as to whether the general improvement in the performance of program variables should be attributed to overall changes in the individual programs or whether the more coordinated regions (DHS Regions 9 - 11) produced stronger results than the less coordinated ones (DHS Region 1/2) or the ones which saw little change in coordination (DHS Region 3).

Table 3 shows the overall exit and re-entry probabilities for the reference caretaker in the regions being studied and the significance and direction of the change in the performance of the program variables between the baseline and coordination periods. While all previous discussion has focused on significance at the 95 percent confidence level, this table also displays the significance of change between variables at the 90 percent confidence interval (indicated by parentheses). This is done to show the strength of the pattern more clearly. In numerous cases, the changes were on the borderline of statistical significance at the 95 percent level and were well within the 90 percent level.

All regions experienced a significant and positive change in the probability of exit from AFDC for the number of ES services received (ESNUM). Prior receipt of JTPA services (JTPADUR) increased exit probabilities statewide and in Regions 9 and 11; probabilities actually lessened in Region 3. No pattern was apparent for the other variables, either in terms of significance or direction of effect.

Table 3
Significant Differences of Program Variable Effects Between Baseline and Coordination Periods

	State	Region 1/2	Region 3	Region 9	Region 10	Region 11
Monthly Probability of Exit from AFDC						
REFERENCE	0.0550	0.0574	0.0561	0.0716	0.0577	0.0598
ESCURR	+		+			
ESNUM	+	+	+	+	+	+
JTPACURR						-
JTPADUR	(+)		(-)	+		+
Monthly Probability of Re-Entry to AFDC						
REFERENCE	0.0343	0.0386	0.0166	0.0320	0.0315	0.0292
ESCURR				+	+	(+)
ESNUM	-	-	-	-	-	-
JTPACURR		+				
JTPADUR				-	-	
Monthly Probability of Exit from AFDC to Employment						
REFERENCE	0.0218	0.0258	0.0128	0.0273	0.0262	0.0244
ESCURR	+		+		+	+
ESNUM	+	+	+	+	+	+
JTPACURR						-
JTPADUR	+			+		+
Quarterly Probability of Job Loss for Former AFDC Recipients						
REFERENCE	0.4245	0.4147	0.3583	0.4026	0.3436	0.3430
ESCURR	-			(-)	-	(-)
ESNUM	-	-	-	-	-	-
JTPACURR			(+)			+
JTPADUR	-	-	-	-	(-)	-

NOTE: Unless otherwise noted all differences shown are significant at the 95 percent level or above. Differences in parentheses are significant at the 90 percent level.

Most significant changes in the probability of re-entry to AFDC occurred in Regions 9 and 10. In both of these regions, current receipt of ES services (ESCURR) changed significantly between the baseline and coordination periods, indicating that more caretakers tried to find employment before returning to the AFDC rolls than in the baseline period. This variable was also significant at the 90 percent confidence level in Region 11. Regions 9 and 10 also showed a significant and negative influence in the effect of total

JTPA receipt (JTPADUR) on re-entry probabilities. In all regions, the total number of ES services (ESNUM) also reduced a caretaker's chances of returning to AFDC. While all regions generally showed similar trends in the changes among program variables between the baseline and coordination periods, the strongest and most significant effects on re-entry probabilities occurred in the coordination regions.

Most program variables had a significantly greater influence on exits to employment in the coordination period than they had in the baseline period. The influence of past participation in TEC (ESNUM) was significantly larger in the coordination period for the state and for all regions. The influence of current participation in TEC (ESCURR) increased significantly for the state and all regions except 1 and 9. The effect of current JTPA participation (JTPACURR) on the probability of exit to employment was not significant for either period at the state level, and was generally insignificant in the regions as well. The only case of a significant change between baseline and coordination period effects for current JTPA participation was in Region 11, where exits to employment by a person currently in JTPA were significantly less likely in the coordination period. Past participation in JTPA (JTPADUR) induced a significantly higher probability of exit to employment in the coordination period statewide, and in two of the three coordination regions. However, there was no significant change in the influence of past JTPA between baseline and coordination periods in Regions 1, 2, and 3.

The probability of job loss significantly decreased in all regions for caretakers who had received a greater number of ES services (ESNUM) and JTPA services (JTPADUR). Current receipt of ES services (ESCURR), however, only significantly decreased chances of job loss for caretakers in the three coordination regions. This would seem to indicate that current ES services were more effective in REFOCUS regions than non-REFOCUS regions.

Overall, the greatest differences between the coordination and comparison regions in these time periods occurred in two areas: increased probability of AFDC exits to employment and reduced probability of job loss after having secured employment following an AFDC spell. These improvements in the coordination regions (Regions 9-11) relative to the others may reflect a combination of developments which were taking place during this time, many of them with a considerable amount of coordination. Among these developments were: 1) the implementation of REFOCUS, which encouraged coordination in referrals and program service provision and which stressed meaningful, lasting employment as the program's mission; 2) JTPA's increasing emphasis on the provision of longer-term training, 3) greater service to the "hard-to-serve" and post program performance standards; and 4) TEC's offering of enhanced job search services and

adoption of case management. Whatever the precise mix of factors responsible for the improvement in these regions, they seem to have recognized that a coordinated approach produces greater gains in achieving their goals than pursuing them separately.

C. Summary of Key Findings

• About a third of all exits from the Texas AFDC rolls during the period of study were due to employment. Nationwide, approximately one fifth of all exits are due to employment only. National research further indicates that most exits from AFDC are due to a change in family status, such as marriage or a child reaching adulthood.

• Significant changes occurred in the influence of some program variables on AFDC duration and employment outcomes between the baseline and coordination periods in all the regions studied. Generally, these changes improved caretakers' chances of leaving and remaining off the AFDC rolls and becoming and remaining employed.

• Program variables in regions with more coordinated AFDC/JTPA/ES programs showed greater improvement than the comparison regions between the baseline and coordination periods. Specific areas in which the program variables in these regions posted greater change were in reducing the probability of re-entry to AFDC, increasing the probability of exit from AFDC to employment, and reducing the probability of job loss for former AFDC recipients. Few statistically significant differences between the coordination and comparison regions were found for the change in the overall probability of exit from AFDC.

• Generally, the current receipt of ES (ESCURR) or JTPA (JTPACURR) decreased a caretaker's chances of leaving AFDC for any reason in a given month. However, the cumulative receipt of these services (JTPADUR, ESNUM) increased a caretaker's chances of leaving AFDC. This pattern, which was observed in at least some regions in the baseline period, became even stronger in the coordination period. The variable showing the greatest change between the periods across all regions being studied was the cumulative receipt of ES services (ESNUM).

• In both periods and for all regions, the current receipt of ES services (ESCURR) was positively associated with returns to AFDC, which implies that former AFDC recipients were actively seeking employment when they returned to the AFDC rolls. The cumulative receipt of ES and JTPA services, both of which were positively associated with re-entry to AFDC in the baseline period, reduced the probability of return to AFDC in most regions during the coordination period. Although the JTPA effects were small, this reversal is encouraging and could indicate that the changed content of programs offered to AFDC recipients was having some impact in keeping previous caretakers from returning to the AFDC rolls. Current receipt of JTPA (JTPACURR) generally had no impact on a caretaker's return to AFDC.

• Statewide exits to employment were significantly higher in the coordination period than they were in the baseline period. Most of the change may be attributed to the increased influence of program variables. Current and past ES participation showed the greatest increase on the probability of exit to employment, followed by past participation in JTPA. Current participation in JTPA was the least important of the program variables, being significant only in Region 11, where it decreased the probability of exit to employment.

• The effects of the program variables on exits to employment varied by region. In all regions, past ES participation significantly increased in influence in the coordination period relative to the baseline period. Past JTPA participation significantly increased the probability of a job exit in all regions, however the influence was significantly larger in the coordination period only in Regions 9 and 11. In Region 10, the influence of past JTPA participation was not significantly different in the coordination period than in the baseline period.

• The greatest improvement in outcomes for AFDC recipients occurred in employment duration. In the baseline period, current receipt of ES services (ESCURR), and the cumulative total of ES and JTPA services (ESNUM, JTPADUR) actually were associated with increases in a caretaker's chances of becoming unemployed. By the coordination period, three of the four variables (ESNUM, JTPACURR, and JTPADUR) decreased the probability of job loss. This most likely shows the impact of JTPA's policy change from immediate job placement to post program employment retention performance standards. Changes in the cumulative impact of JTPA and ES services occurred across all regions studied, but the improvement in current ES services only occurred in the coordination regions.

III. Overall Effectiveness of Program Coordination in Pre-JOBS Welfare-to-Work Programs

As has been discussed in earlier project reports, measurement of the impact of coordination in pre-JOBS welfare-to-work programs is a complicated and indirect process. While many researchers have documented the existence and type of coordination,[25] few have attempted to isolate its effects on program performance.

A. Methods Used to Measure Coordination

This research utilized a number of different methodologies to describe the nature and extent of coordination in pre-JOBS welfare-to-work programs and to determine whether this coordination had any impact on labor market and welfare outcomes for AFDC caretakers. Generally, this research relied on the use of change between two periods of time within the study period (the baseline and coordination periods), comparing results among substate regions of the state that exhibited varying degrees of coordination. Three regions (DHS Regions 9, 10 and 11) were selected because they piloted the REFOCUS program and were conducting coordinated efforts for AFDC caretakers throughout the coordination period. Region 3 (El Paso) was selected for its long history of running locally-initiated coordinated programs and its impressive JTPA outcomes for AFDC caretakers in the baseline period.[26] Region 1/2 (Amarillo/Lubbock) was selected because it was one of the last regions of the state to implement the REFOCUS program and did not begin that initiative until the middle of the coordination period.

To measure coordination, the researchers investigated three primary areas: 1) the nature and extent of coordination in the programs serving AFDC caretakers in the pre-JOBS period; 2) JTPA services and outcomes for AFDC caretakers; and 3) the impact of coordination on AFDC outcomes.

Program Functions. To determine the extent to which coordination affected services for AFDC caretakers in pre-JOBS programs, researchers conducted structured interviews of program administrators and staff in five local sites (El Paso, Houston, San Antonio, Lufkin/Nacogdoches, and the rural areas surrounding Lubbock) focusing on a number of key program functions. These sites were selected to include urban/rural diversity, differing REFOCUS experience, and race/ethnic diversity. The content areas covered by the interviews corresponded to the coordination criteria employed in the

[25]For example, see: Bailis et al. (1989); Burbridge and Nightingale (1989); and McDonnell and Grubb (1991).

[26]King and Schexnayder (1988). Also, see Gula and King (1990) for a detailed discussion of El Paso, as well as Houston and San Antonio.

Governor's (JTPA) Coordination and Special Services Plan: planning, intake and eligibility determination, client assessment, case management, program services, and reporting and accountability. In addition, a statistical analysis was conducted to describe the REFOCUS/JTPA referral-to-enrollment process.

JTPA Services to AFDC Caretakers. Statistical analysis was also conducted of JTPA services to AFDC recipients over a five-year period to measure changes in selected client characteristics, program job placement rates, and post program outcomes. Changes between the baseline period, in which few coordination activities were occurring, and the coordination period, in which a number of coordination initiatives had been implemented, were compared for five substate regions.

AFDC Outcomes. Probabilities of exit from AFDC, re-entry to AFDC, exits from AFDC to employment, and employment duration for former AFDC recipients were computed for AFDC caretakers in the five-year period being studied. After controlling for numerous personal/demographic and environmental variables (e.g., population density, unemployment), changes in the influence of ES and JTPA program variables between the baseline and coordination periods were computed and compared across the five substate regions. Statistically significant changes, combined with results from the field research and program documents, were analyzed to determine the effects of coordination.

B. Results Summary from All Phases of Research

Program Functions. At the state level, there was evidence of increasing coordination by virtually all agencies involved in delivering welfare-to-work services during the pre-JOBS period. Of the program functions studied, coordination efforts were most visible in planning at all local sites. Program areas which may need greater attention include: the intake and referral process, client assessment, and program reporting and accountability. Levels of coordination activity varied greatly by site for all of the program functions except planning, which had been the object of considerable state and local attention in recent years. The level of coordination in planning varied among the sites, but not by as much as in the other program functions.

There are important differences in the nature of coordination and in service delivery generally between urban and rural areas. Smaller numbers and reduced population mobility in rural areas foster more personal relationships among program staff and between program staff and the people they serve, making coordination easier. Conversely, highly formalized and structured program designs intended primarily for large urban areas may impede

service delivery in rural areas. Limited employment opportunities and support services in rural areas can also serve as program barriers that negatively affect outcomes, regardless of the degree of coordination.

Statistical analysis of the REFOCUS-to-JTPA referral process revealed that over 80 percent of all REFOCUS referrals to JTPA were Service Level II clients, the group DHS had targeted for referral to JTPA. However, less than 25 percent of all AFDC caretakers served by JTPA had actually been referred by REFOCUS. Few significant differences in program mix, employment rates and post program earnings were found between REFOCUS referrals and other AFDC caretakers with similar characteristics who participated in JTPA programs. Thus, REFOCUS—as one of the more carefully conceived statewide coordination efforts—had its main impact on the *characteristics* of those referred to JTPA. Most AFDC enrollments in JTPA were unaffected by REFOCUS.

JTPA Services to AFDC Caretakers. The absolute number of all AFDC caretakers and persons with characteristics similar to Service Level II caretakers increased from the baseline period to the coordination period in all regions studied. This was not surprising given the growth in JTPA funding over the period and JTPA's increased policy emphasis at the national and state level concentrating on hard-to-serve populations generally and AFDC caretakers in particular. Generally, JTPA programs in REFOCUS pilot regions exhibited greater performance gains than the comparison regions in both program and outcomes measures. These changes included an increase in total program time, a decrease in time spent in holding, and increases in real hourly wages at placement, percent receiving employee benefits, average duration of employment and post program earnings. However, even with these performance gains, Region 3 (El Paso), with its longtime emphasis on coordination and collaboration, continued to outperform all regions in employment retention and earnings for Service Level II caretakers, despite having one of the poorer labor market settings.

AFDC Outcomes. Significant changes occurred in the influence of some program variables on AFDC duration and employment outcomes between the baseline and coordination periods in all regions. Generally, the influence of program variables on AFDC caretakers' chances of leaving and remaining off the AFDC rolls and the chances of becoming and remaining employed all improved significantly. Program variables in regions with newly-coordinated AFDC/JTPA/ES programs showed greater improvement than the comparison regions between the baseline and coordination periods. Specific areas in which program variables in these regions posted greater change were reducing the probability of returning to AFDC, increasing the probability of exit from AFDC to

employment, and reducing the probability of job loss for former AFDC recipients. ES participation and past (but not current) JTPA program participation had a much more positive influence on the probability of exit to employment in the coordination period than in the comparison period. No important differences between the coordination and comparison regions were found in the probability of exit from AFDC for all reasons.

C. Overall Effectiveness of Program Coordination

Given the results from all aspects of this research, a strong presumption can be made that coordination improves performance. Specifically, the researchers found that:

- more coordination was occurring in the regions from a variety of sources, but the process of coordination still needs improvement in a number of areas;
- significant improvements occurred in JTPA services for AFDC recipients in the areas of program duration, service mix, and outcomes;
- significant improvements also occurred in the influence of program variables on AFDC exit and re-entry probabilities, exits to employment, and post-AFDC employment duration; and
- the greatest improvement in program performance occurred in the newly-coordinated DHS Regions (9, 10 and 11).

Given that differences in regional economic conditions were carefully considered in the JTPA analysis and that statistical controls were applied for other personal and environmental factors in the AFDC outcomes analysis, a strong presumption remains that coordination is helping to produce the observed results. It should be noted, however, that while the newly-coordinated regions achieved the greatest performance *gains* in both the JTPA and AFDC outcomes analyses, the overall performance *level* among pre-JOBS programs for AFDC recipients was still strongest in El Paso (Region 3), the region with the longest history of effective coordination. A true test for the newly-coordinated regions in Texas will be their ability to maintain their momentum and continue to improve their performance over time.

IV. Recommendations for Enhanced Program Design and Improved Coordination Among Agencies

This section presents recommendations both for enhancing welfare-to-work program design and for improving coordination among agencies involved in providing program services for welfare recipients. These recommendations draw upon research conducted throughout this evaluation, including two rounds of site visits to urban and rural regions of the state, in which program administrators and staff from numerous agencies were interviewed at length concerning coordination activities and service delivery issues; and statistical analyses of matched administrative records obtained from the participating agencies and longer-term employment and earnings data.

It is difficult to separate these recommendations into distinct program design and coordination sets. Considering program components and their interrelationships (design) as something apart from their implementation—whether via coordinated strategies or not, and to what extent—is artificial. However, this evaluation has emphasized coordination and its effects on programs, so the following discussion maintains the separation.

A. Enhancing Program Design

Recommendations for enhancing welfare-to-work program design are presented in six areas: resources and staffing; front-end services; case management; program activities; supportive services; and reporting and accountability.[27] Where appropriate, special consideration is given to rural areas and their needs and circumstances.

Resources and Staffing. The first set of recommendations concerns the broader availability of resources and the adequacy of staffing for welfare-to-work programs. These recommendations address the programs' operating environment.

During the 1985-1989 period which was the primary focus of this research, the combined federal and state resources either directly or indirectly targeted for services to AFDC caretakers in Texas increased in absolute dollars.[28] Since that time, funding increases for the DHS JOBS program have been virtually offset by the declines in JTPA Title IIA, leaving total resource availability almost unchanged. Meanwhile, AFDC (and Food Stamp) caseloads in Texas have been increasing sharply since the latter part of the 1980s, posting annual increases in the double digits. Moreover, in real terms, the Nation's

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[27] An important caveat is that these recommendations are based solely on analyses of gross outcomes, using numerous statistical controls to adjust for the influence of other factors, as well as complementary field work.

[28] Detailed funding figures for these programs are provided in Schexnayder, et al. (1992).

investment in programs for AFDC caretakers has fallen sharply since the early-1970s.[29] Recent federal appropriations for JOBS have arrested the decline for now.

Nevertheless, nearly all the programs examined in this research have been operating at or near capacity for some time and are still unable to serve all of those in need. With the sorting (or triaging) process which is now an integral part of its JOBS program, Texas is essentially acknowledging that it can only consider addressing the needs of a small fraction of Service Level I ("job-ready") and Service Level II clients. The average monthly caseload of DHS Case Managers (working with Service Level IIs) in some areas was over 150 (as of July 1991), despite a target caseload of only 55 cases. Those classified as Service Level IIIs (i.e., below 8th grade education, little work experience and many barriers to employment) are basically ignored: if they are fortunate, they are given basic information and referral packets directing them to other community resources.[30]

During the first year of JOBS, Texas barely exceeded the required 7 percent participation rate, reaching just 8.4 percent participation statewide.[31] In the process, it left more than half its federal JOBS allocation on the table. For FY 1992, the Legislature continued to budget only enough state revenue to support the attainment of a 7 percent participation rate, despite the fact that the federal requirement had already risen to 11 percent. Note that each state dollar expended on JOBS program services elicits another $1.79 in federal funds since these are matched at the 64.18 percent Medicaid rate up to a FY 1992 cap of $48 million. This should be a very difficult offer to refuse.

Moreover, there is every reason to think that discretionary resources invested in remediation and training now may preclude entitlement welfare expenditures later, while better positioning the state for economic competition in the future. These AFDC caretakers—and their children—represent potentially productive members of the workforce which Texas cannot afford to lose. If they are not educated and trained now, the state can count on years of expenditures on cash welfare payments and related benefits for many of them instead of having the goods and services they would have produced or taxes they would have paid. Budgeting additional state resources for JOBS should make sense to policy makers both in the short run in terms of drawing down its fair share of federal dollars, and in the longer run in terms of ensuring that more of its citizens are productive members of the workforce, producing goods and services and paying taxes. Such added

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[29]See Nightingale and Burbridge (1987) among others.

[30]This is not true in El Paso where concerted, multi-agency efforts have been underway on behalf of Service Level IIIs for several years through the *Paso Adelante* project.

[31]DHS' Welfare Reform in Texas report (1992).

expenditures might even mean that their children would end up spending less time on welfare and more time in the workforce as well.

Thus, the broad recommendations which follow concern resource and staffing levels available to address the needs of AFDC caretakers and their families. Given the State's projected budget deficit for the FY 1993-1994 biennium, these recommendations will surely face a tough reception.

Recommendation #1

Texas should provide for sufficient resources—state and federal—to meet the needs of a specified target share of the JOBS-eligible population that is well above the minimum participation levels established by federal law. This target share should increase over time.

The level and particular mix of resources required to address such a share of the JOBS eligibles would need to be based on a comprehensive assessment of current and projected workforce development needs of AFDC caretakers, as well as on an inventory of activities and services available. A program area in which funding is likely to be insufficient for the foreseeable future is job skills training. Federal funding (through JTPA) supports most state-level job skills training, and Texas has seen its JTPA funds decline since mid-1989. Findings from this research provide compelling reasons for appropriating state revenues for job training participation in job training significantly increased an AFDC caretaker's chances of leaving welfare and especially the chances of leaving for employment, significantly reduced her chances of returning to the rolls and significantly increased her expected employment duration once she secured a job. The effects of increased training time grew in the latter period as JTPA began to emphasize longer, more intensive treatments and post program performance.

Recommendation #2

Texas should provide state revenues specifically for purchasing additional job skills training for JOBS participants. Which agency should initially receive such funds is another question, but it is only logical that funding follow function and remain with the agency with the specialized expertise, i.e., the Texas Department of Commerce.

A related recommendation concerns the staffing levels in these programs.

Recommendation #3

Texas should ensure that staffing for programs serving AFDC caretakers and their families is sufficient to provide the quality of assistance required to produce the desired outcome, long-term economic self-sufficiency for JOBS participants.

Ironically, a cursory comparison of rural and urban areas might suggest that resources and staffing are somewhat closer to meeting the needs in rural areas than in the more urban ones. This only appears to be the case when large portions of the population are excluded from the needs equation by sorting them into the Service Level III group or by dropping a sizable part of the state from consideration altogether (i.e., as non-JOBS counties).

Recommendation #4

Special attention should be given to meeting the resource and staffing needs of welfare-to-work programs in more rural areas of the state, many of which are now struggling as designated JOBS counties against severe resource limitations and service capacity constraints.

Front-End Services. Front-end services for welfare-to-work programs include intake, eligibility determination, referral and assessment. More progress has been made in some of these areas than in others during this period. DHS and Commerce made a concerted effort to address problems with their intake, eligibility and referral systems by developing common forms and procedures. Their success in this effort has varied from area to area. Not all parts of the state have fully utilized these joint forms and procedures, and, where they have, consistency has been a problem. In addition, much of the activity occurring in JTPA and the ES still reflects individual efforts made by "walk-ins" rather than the result of conscious, structured referral processes. Addressing these issues has become even more critical with the advent of JOBS with its participation requirements and their implications for federal matching funds.

Recommendation #5

State agencies and their local counterparts should structure their intake, eligibility determination and referral processes so that clients can more readily understand, access and effectively participate in their programs, and so that participating agencies can better understand and receive credit for the full scope of their efforts with only minimal increases in administrative workload.

Assessment is one of the most important front-end program services. When performed well and used appropriately, it can provide an invaluable programmatic road map for participants and program staff alike. It is intended to serve as the basis for mutual service planning involving the participant and her case manager under JOBS. However, assessment often means different things to different people. To some, it only means testing; to others, it implies testing which is accompanied by the full range of counseling and in-depth discussions of assets, barriers and relevant program choices. DHS officially

views assessment as dynamic, an "ongoing process" with considerable interaction between case worker and client over a period of time. Assessment may also be conducted by many different actors involved in serving participants, encompassing distinct portions of the participant's needs, e.g., emphasizing family needs, educational, vocational, etc.

Recommendation #6

Objective, comprehensive assessment of individual participants' needs (and those of their families)—balanced by the realities of labor markets—should be the driving force behind local welfare-to-work program services.

Recommendation #7

Assessment should serve as the basis for the AFDC caretaker's service plan. For assessment to be effective, its results—and the service plans it drives and supports—must be shared with all of the relevant entities in a form appropriate for their needs.

An approach now gaining currency in national and state discussions recently is for a common assessment to be performed by some group independent of service delivery altogether, with each of the programs having an interest in the participant's well-being contributing financially or in-kind to support the assessment process.[32] Results are then shared in a form best suited to each entity's needs as they relate to serving the participant. Assessment is an area with considerable duplication—including administering the same or similar tests—and it would not be difficult to determine each agency's roles and responsibilities for assessment even if a common approach were bypassed. At the least, each agency should conduct assessment in the areas in which they have special knowledge and expertise and each should acknowledge this expertise by accepting the others' assessment results. Clearly, DHS brings special skills in the area of personal and social needs and barriers; JTPA and TEC have expertise concerning employment and training needs; and adult education, community colleges and others can best assess education-related needs.

Case Management. Case management has been rediscovered in 1990s programs for welfare recipients. It was standard operating procedure in early versions of WIN in the late 1960s, often featuring joint teams of case managers from welfare and the Employment Service. It has resurfaced as one of the *sine qua nons* of welfare-to-work programming. Many issues arise with case management, including defining what it entails, who should do

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[32]For example, see McPherson (1991) and U.S. Department of Labor (1989). Human resource development programs in both the City of Houston and San Antonio have recently moved in the direction of common intake and assessment centers.

it, when it begins and ends, and whether it should be done by specialists or generalists, among others. One facet of case management on which most agree is that it is best done with small active caseloads. The caseload size necessary for optimum efficiency and effectiveness is unclear. DHS established 55 cases as its target average monthly caseload under REFOCUS as well as the early (FY1991) JOBS program. TEC instituted case management in 1989 with intensive staff training provided by DHS' trainer.

PICs and JTPA service providers locally have also begun to incorporate case management into their standard array of services, e.g., the Upper Rio Grande PIC, the Houston-area PICs and others (i.e., the Corpus PIC) not included in this study. In the case of JTPA, case management services are being provided to other participants as well, not just AFDC recipients. One of the attractive features of case management services provided by PICs—especially those which are incorporated private entities operating outside the bounds and constraints of city and county governments—has been that the managers tend to work more flexible schedules, including nights and weekends, and seem to be free from some of the paperwork and never-ending documentation inevitably associated with welfare agencies. This is not meant to imply that DHS-based case workers do not measure up to those who are JTPA-based. It is just very difficult for even the most committed agency case manager to respond as quickly or as effectively to participants' needs as one who has a more flexible work place and fewer documentation burdens to shoulder.

This research suggests the emphasis on case management in these programs is well deserved, particularly when it is properly coordinated among the programs involved. As the treatments become more intensive, take place over longer time frames and involve a wider array of programs and systems, case management becomes essential to effective participation. But, it also has the potential for considerable duplication of effort.

Recommendation #8

Case management—with relatively low caseloads and flexible work and time arrangements—should continue to be an integral part of the services provided for AFDC/JOBS participants. Every effort should be made to ensure that such services are coordinated among the various programs now offering them.

Program Activities. AFDC caretakers in Texas welfare-to-work programs generally are offered a wide array of activities, ranging from job search assistance and life skills training to adult education, classroom training and OJT. With the new state funds, adult education has been expanding for this group, and the emphasis (65-70 percent of contact hours) has been on Beginning- and Intermediate-level services, despite the fact that Service Level Is and IIs are being served primarily. Adult education is an essential

program component given the basic skills deficiencies even better-prepared AFDC caretakers have. Concerns include the fact that only limited educational assessment can typically be conducted and access to state-of-the-art instruction techniques is low. Adult education tends to rely heavily on part-time instructors and volunteer tutors to conserve its scarce service dollars.

In addition, the research suggests strong presumptive support for expanding the use of OJT and other employment-based treatments for caretakers if local labor markets will bear it. It is difficult to entice employers into OJT contracts when unemployment is high and their product demand is low. It is particularly tough to get them to consider welfare mothers who tend to have less work experience and lower levels of education.

Recommendation #9

A comprehensive review of the resources available to support adult education services for AFDC caretakers should be conducted using data from all sources (e.g., TEA, JTPA). These resources should be fully documented, and local programs should be encouraged to make full use of them. Mechanisms for upgrading adult education's assessment and instructional capacity should be explored.

Recommendation #10

JTPA, working closely with DHS, should place special emphasis on expanding the use of OJT and other employment-related treatment strategies for AFDC caretakers where appropriate.

The site visits as a whole produced a picture of local program services for welfare as well as other groups which was often disjointed and fragmented, especially in the larger urban areas. From the client's perspective it is often difficult to know where to turn for which kinds of assistance. Once they find this out, they must be able to hold on long enough to make it through the eligibility determination process, enroll in available activities and arrange for support services. Many of these paths and decisions are difficult for the most knowledgeable individuals to negotiate. The Texas Human Investment System (HIS) initiative of a few years ago, Corpus Christi's own local HIS effort, San Antonio's new Project Quest and portions of Governor Richard's Smart Jobs Initiative all are worthy attempts to move in the direction of improved service delivery.

Recommendation #11

Texas needs to redouble its efforts to make its human resource development programs for AFDC caretakers, as well as for other groups in need, as accessible and as "seamless" as possible at the local level.

Support Services. Even the most job-ready AFDC caretaker typically needs some support services if successful participation in a welfare-to-work program component—whether adult education, skills training or just job search assistance—is to become a reality. The services most often utilized by these participants are child care and transportation. Others (e.g., housing, health care and family-related services) may be necessary and appropriate as well. The early site visits uncovered reports that funding and availability of both child care and transportation were uncertain and unreliable.

Several important events have occurred recently to improve the situation for supportive services including statewide implementation of the Child Care Management System (CCMS), under which regional Child Care Management Agencies (CCMAs) act as brokers, training entities and resource developers; expansion of in-program child care funds through both JOBS and the newly-authorized Child Care and Development Block Grant program; and improvements in DHS transportation policies and funding. Areas which remain problematical are: rural areas in general, especially DHS' policy on self-arranged care and difficulties with reliable modes of transportation in rural Texas. Given recent improvements in support services funding and delivery, no recommendations are offered.

Reporting and Accountability. One of the major areas of difficulty has been and remains the reporting systems for welfare-to-work programs. Specific problems include the lack of complete, regular communication about individuals being served, activities and services being provided and program outcomes. Too much of what is apparently going on in these programs is not fully captured or reported by most of the programs or systems which play substantial roles. Information sharing at all levels is poor. In too many instances, the programs still speak different "languages" despite having worked together to serve AFDC caretakers and their families for years. A detailed rendering of the problems with data collection, reporting and information sharing systems is beyond the scope of this report. At the very core of the problem is that Texas has allowed minimum federal reporting requirements rather than management needs be the driving force of the programs. Texas has attempted to use a minimally-oriented, federally-driven reporting system for its management information system, and it simply does not and will not perform. JOBS has apparently not made much progress in this area.

Recommendation #12

Texas needs to enhance its capacity to collect and report reliable information on welfare-to-work programs at all levels. Welfare-to-work efforts necessarily involve multiple agencies and programs, making the need for accurate reporting and for policymakers understanding the services being provided and the results being produced even more important. Such a management information system should be based first and foremost on local, regional and then state needs for management and accounting. Federal requirements should be dealt with only as secondary concerns.

Finally, only JTPA now emphasizes and can report reliably on outcomes from its efforts for AFDC caretakers. Ultimately, HHS must institute performance standards for JOBS programs; they are now scheduled for implementation in October 1993, although no data collection or reporting on even trial outcomes is currently required. TEA's reporting system for adult education generally, as well as for the special AFDC/JOBS program, provides very limited outcomes information. DHS and TEA have a great distance to cover here in a short time. TEC's UI wage records data offer an inexpensive, invaluable source for capturing labor market outcomes from these programs. However, they will do nothing for measurement of more immediate education or longer-term welfare recidivism outcomes.

Recommendation #13

Texas should develop and implement immediate and longer-term measures of performance for its welfare-to-work programs. These measures should encompass outcomes for education, employment and earnings, and welfare receipt. UI wage records should serve as the principal basis for measuring labor market outcomes.

B. Improving Program Coordination

Before presenting recommended strategies for improving welfare-to-work program coordination, several general observations are offered.[33] These observations and the recommendations which follow are predicated on the assumption that programs have some common goals and objectives. Unless this assumption is valid, there is no reason for them to coordinate. Coordination is only a means to an end. Coordination should not be pursued for its own sake, but rather because it has the potential for reducing the costs of providing activities and services, enhancing program outcomes or some other desired result. The programs examined here certainly share the goal of assisting AFDC caretakers and their families move towards economic self-sufficiency.

The first observation is that programs do not coordinate; people do. People matter most for coordination purposes. Second, for better or worse, limited resources do appear to promote coordination. When resources are severely constrained, people seem to roll up

[33]These are elaborated on in a chapter by King in Jennings and Zank (forthcoming).

their sleeves and work together better than when resources are abundant. On the other hand, there is some experience (mixed) which suggests that program setasides (e.g., JTPA's 8 Percent Education Coordination funds) promote coordination as well. Third, positive approaches generally produce better results than negative ones (i.e., "coordinate or else!"). Finally, in order for effective coordination to occur between programs, the message--that coordination is one of the program's more important intermediate objectives--must reach all levels of the organization and be reinforced. High-level policy makers in one agency often reach understandings with their counterparts in others, even signing formal interagency coordination agreements without this message ever reaching their respective program staffs on the front line.

Broad Coordination Strategies. Several broad strategies are suggested for promoting coordination between the agencies and programs serving AFDC caretakers and their families in Texas.[34] These are followed by recommendations for specific steps that might be taken to foster better collaboration in a number of specific program areas.

Long-Term Trust Relations. One of the more critical strategies for promoting coordination is building and nurturing long-term trust relations among key staff from the major programs serving the welfare population. This is simple enough to say but apparently very difficult to do. But, one of the more important observations from the field work on this project--with support as well from work on similar research projects--is that programs worked together more and produced superior results where such long-standing relations were present. The difference between sites with and without such relations was substantial and palpable.

El Paso was the prime example of this strategy from the current research. Many of the leaders and key staff from programs had been working together effectively for years. Necessary coordination activity was reduced to minimal behaviors such as phone calls in place of face-to-face meetings. As indicated above, it was gratifying that El Paso's employment and earnings outcomes for AFDC participants were remarkable as well, especially in such a low-wage, high-unemployment labor market.[35]

The question here is how to implement such a strategy in practice. There are a number of things which should be done to implement this strategy, and, possibly more important, there are also a number of things which should *not* be done. To build the right

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[34]A number of the coordination strategies and recommendations outlined here are echoed in the pathbreaking Breaking the Mold report (1991) issued as part of the Texas Performance Review by the Texas Comptroller's Office.

[35]Corpus Christi has enjoyed a similar situation, although they were not selected as a site for this project.

kind of long-term relations among program staff, agencies should first make sure key staff are retained over time. Conversely, continually reorganizing agencies and rearranging and relocating staff tends to work against such relationships. These actions may serve other purposes and needs, but they detract from establishing solid staff relationships.

In addition, promoting greater *non-threatening* contact and regular communication among key staff from these programs can also contribute to building and preserving such relationships. Typically, agencies bring their program staffs together when there is an immediate job to do or a crisis to fend off. There is usually something "on the line" when they are interacting, say an annual operating plan to prepare under a tight deadline or an eligibility determination process to straighten. In this setting, communications tend to be more highly charged and focused and everyone's defenses are up and activated. Program staff need to come together when nothing special is at issue. The annual conferences sponsored by the Texas Association of Private Industry Councils—which have featured sessions specifically on welfare reform, JOBS, coordination strategies and similar topics in recent years—as well as other annual meetings hosted by El Paso Community College are good examples of this. They might consider consciously building in more opportunities for dialogue and downplaying classroom-style presentations to foster greater interagency interaction.

One of the major barriers to program coordination observed repeatedly over the course of this research was the failure to communicate effectively. It is hard to imagine achieving greater coordination among programs when one group has only the vaguest notion of what the other is actually doing or what the other expects. In some instances, there was a complete absence of communication, while in others, it was a problem of poor or ineffective communication. Most of the study sites would have benefited greatly from using techniques for improving their most basic day-to-day communication.

Recommendation #1

Texas should build and nurture long-term trust relations among the various programs serving AFDC caretakers and their families by pursuing policies which minimize agency reorganization, reduce key staff turnover and improve interagency communication, among others.

Leadership By State Example. Programs serving AFDC caretakers work from differing structures with varying degrees of autonomy, but each local player has a state agency counterpart of some sort to which it must respond. State agencies provide "marching orders" (e.g., program directives, planning guidelines, etc.) to which the locals react. One very important means of fostering local cooperation is for the key state agencies

to lead by example, demonstrating that real program coordination is both possible and even standard procedure. Setting such an example will not ensure greater coordination at the local level, but it certainly puts the burden on the locals if they do not work together.

Listening to the Locals. At the same time, service provision is inherently local. An AFDC mother may live in a local housing project. She enrolls in a local community college, puts her child in a neighborhood child care center, travels to classes riding the local bus, and takes a job with a local firm or plant. Program and provider staff know much more about actual service delivery at the local level than is possible for state policy makers who are several levels removed from the process. And, local programs for AFDC clients are increasingly complex and interdependent efforts. By listening carefully and thoughtfully to locals' concerns, insights and suggestions—about everything from program planning to measuring results—legislators and state agencies will be in a much better position to make policy and develop the parameters for programs for eligible AFDC clients.

Recommendation #2

Regional and local program staff—DHS as well as the other partners serving AFDC caretakers and their families—should be actively consulted at every stage of JOBS policy making and program implementation.

Building More Common Ground. One of the mistakes often made by legislators and policy makers over the years has been over prescribing program coordination, specifying exactly who should work with whom, when, how and for whom. With some exceptions, JTPA as originally passed in 1982, was a refreshing change from this pattern. Under JTPA, governors were to establish planning guidelines for local PICs and reward (or sanction) them based on their performance, leaving many of the more fundamental decisions concerning program operations and service delivery in local hands. This basic approach was adopted in principle by a national advisory group which recently examined JTPA and its relationships with welfare, education and other programs.[36]

Those serving AFDC caretakers and their families need to build more common ground among their programs, both in terms of the program planning process, client eligibility and assessment at the front end, and in terms of outcomes expectations (e.g., measures, rewards and sanctions) at the rear. With programs starting from basically the same place and attempting to get similar results, coordination in terms of the details of operations and service delivery should more or less take care of itself. Program staff should then involve those other programs needed to help them achieve their goals.

[36]The JTPA Advisory Committee was appointed by the Secretary of Labor in 1988; see U.S. DOL (1989).

Essential parts of building common programmatic ground should be adopting common terminology where possible, as well as establishing congruent service delivery boundaries. Using the same terminology facilitates communication and supports better measurement of results, making coordination far easier. The same can be said for establishing service delivery area boundaries which are largely congruent. DHS took a large step towards common boundaries when it implemented the CCMAs in 1991. Recognizing its dependence upon JTPA for the provision of skills training and related services, it configured the boundaries of the CCMAs along JTPA lines. None of the 27 CCMAs cuts across SDA lines, although some encompass more than one SDA (e.g., Houston, Dallas/Ft. Worth).[37] House Bill 7, as passed by the Texas Legislature and signed by the Governor in 1991, reinforces this movement, mandating that state health and human service agencies adopt common service delivery boundaries by September 1993.

Recommendation #3

Texas should take full advantage of every existing opportunity as well as create new ones to build more programmatic common ground, including having joint planning processes, adopting common program terminology, using common program outcome measures and working within common service delivery boundaries.

Greater Services Co-Location. Service co-location is another broad strategy for improving program coordination for serving AFDC caretakers and their families. Particularly in Texas—where the delivery of services has been and continues to be reliant on the collaboration of many agencies and their networks of local offices—increasing use of co-located services can offer many benefits, only one of which is enhanced coordination. It is associated with greater client access and better (more regular) attendance and participation and presumably improved outcomes as well. Fortunately, these agencies appear to be aggressively pursuing service co-location in many areas of the state. It is a process which is far easier to conceive than to implement; agency leases may be multi-year, legal mandates for access may differ, etc.

Recommendation #4

Texas agencies should avail themselves of every opportunity for co-locating services to make them more readily accessible by AFDC caretakers and their families in need of services.

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[37]Unfortunately, the JTPA legislation allows jurisdictions with a population of at least 200,000 the prerogative to become independent SDAs.

Responding to the Client (Customer). In the past few years, admonishing companies and programs to be more responsive to their customers or to become more "customer-friendly" has been one of the pillars of the Total Quality Management (TQM) movement.[38] The notion began to resurface a decade ago in Peters and Watermans' best-selling book, In Search of Excellence (1982). They had observed that excellent companies always seemed to firmly believe the old adage that "the customer was always right" and to act accordingly. Programmatically, client-friendly program design began to gain credence when Michigan launched its Michigan Opportunity Card in the late 1980s.[39] That initiative departed from conventional approaches to program coordination, consolidation or integration by placing real clout in the hands of the clients who were empowered via their cards to purchase services from whomever offered them the best package. Similar concepts were adopted by the JTPA Advisory Committee in its 1989 *Working Capital* report.

The strategy is simple to begin but hard to fully implement. Rather than structuring or redesigning service delivery relying solely on input from groups of state and local staff, assisted by paid consultants and an occasional client advocate, the driving force would be the clients themselves. An anecdote from the field research illustrates the difference.

In one large urban site, all intake for welfare-employment programs for the entire county was centralized in one downtown office, rather than distributed among the local welfare offices located in all parts of the county. The reason given for this decision was that it was "more convenient". It was clearly more convenient for the program staff. It was definitely less convenient for the AFDC mothers who had to take a succession of bus rides and trips to the central site for initial case manager meetings and subsequent assessment and service planning sessions, followed by still other trips to arrange child care and enroll in education or training. If clients were asked their preferences, the response may well have been that the convenient solution was to have multiple services available in neighborhood offices and possibly even in the housing projects. The latter approach is now being tried in San Antonio's Sutton Homes and Lincoln Village housing projects.

The merits of running more client-friendly programs are many and need not be discussed here. What is significant for now is that it is virtually impossible for programs to go their own, independent routes in cases where clients have been empowered and their needs are given priority. Increased program coordination is the only logical result when clients have a major say in program design. Inconvenient service location, paperwork

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[38]For example, see Jablonski (1991).

[39]Michigan Job Training Coordinating Council (1989).

duplication, multiple eligibility processes, repeat testing, transportation bottlenecks and other program aspects all are subjected to intense scrutiny if clients' needs are paramount.

Recommendation #5

Texas agencies should adopt policies and operate programs under JOBS which are "client-friendly." At the least, this entails actively consulting with AFDC clients, as well as potential, actual and former JOBS participants, concerning their (and their families') needs, preferences and experiences in these programs.

Specific Coordination Recommendations. The following recommendations are geared specifically towards promoting coordination in Texas welfare-to-work programs. Some of these have already been implemented, in part because active discussion of these recommendations began while the research was still in progress, and in part because agency staff tend to be looking for ways to improve programs in any event.

Joint Planning Sessions. Soon after the passage of the Family Support Act of 1988, DHS decided to pursue a joint interagency planning approach to implementing JOBS, featuring both state- and local-level efforts. The state-level Interagency Planning Group (IPG)—comprised of key staff and program leaders from the many state agencies involved directly or indirectly with JOBS, as well as regional and local representatives of DHS, local PICs and community colleges—shaped the basic planning process and oversaw the development of substate planning guidelines. DHS staff in each of the ten regions were assigned lead responsibility for pulling together the key actors and directing the effort.

However, planning for the first year of JOBS (FY 1991) started late and wrapped up without the benefit of training or technical assistance on proper uses of the guidelines issued. Second-year JOBS planning was largely a pro-forma effort run out of DHS State Office. For FY 1993, the effort promoting joint planning has benefited from far more advanced conceptual and logistical support. The guidelines were completely revised by an interagency IPG subcommittee and were subsequently issued to all the key substate actors prior to the initiation of the process. DHS staff also attended and participated in the JTPA's annual planning conference. All of this was then reinforced by a series of ten (10) joint planning sessions around the state in the summer of 1992.

To date, joint planning efforts have not been completely successful, but they have tried diligently to move in the right direction. Considerable progress has been made since the mid-1980s when no joint planning capacity existed, and since the first attempts under JOBS which were too one-sided and late. Texas should continue putting all the major partners through joint planning so they will fully understand JOBS and its needs.

Recommendation #6

Future JOBS planning workshops should be structured to include all of the relevant actors from a given area. Moreover, agencies should be strongly encouraged to attend the joint sessions prepared to lay out their needs and wants to the extent possible, so that program planning can begin in earnest at that point.

Consolidated Eligibility Determination Processes. An area which remains troublesome despite years of effort by DHS and JTPA is eligibility determination. (This is closely interrelated to the issue of tightening referral mechanisms which is discussed separately below.) A joint eligibility/referral form (Form 2738) was developed and adopted by these agencies by early 1990; each participated in training on its use and was to have implemented it at that time. This form was to be utilized in such a way that JTPA could avoid having AFDC (and Food Stamp) recipients fill out an entirely new application for eligibility determination purposes, complete with documentation of residency, etc. Rather, JTPA was to accept the form as proof of welfare receipt and to allow AFDC recipients to be deemed "categorically eligible" for services as provided for in law.

Unfortunately, this has not worked at all consistently throughout the state. In some areas, DHS workers are still sending AFDC recipients to JTPA without the form (or with incomplete forms); in others, JTPA is not fully following the policy and is still requiring additional documentation before the welfare recipient can be enrolled for services. This appears to be an issue which could be resolved if only the key local players would sit down, lay (all) their cards on the table, adopt a solution and communicate to all of their respective staff their intent to follow it. The cost of this inability to adopt acceptable eligibility procedures is now being borne largely by AFDC caretakers and their families. Duplication of eligibility determination procedures inevitably results in higher costs and fewer participants being served.

Tighter Referral/Enrollment Mechanisms. A related situation exists for referral and enrollment mechanisms for these programs. Under the joint eligibility/referral policy, DHS referrals from AFDC (and Food Stamps) to JTPA were to carry with them the original, signed Form 2738. Case workers were to refer potential participants to PICs indicating the types of services sought or expected, along with test results (e.g., ABLE Initial Screening Battery, TABE). With the implementation of JOBS in FY 1991, this situation has become more complicated and much more important. However, this policy is not being implemented as intended.

Unless PICs are officially notified that referrals are JOBS referrals, and unless these are "captured" in DHS' reporting systems, Texas will be losing credit for program

participation and might suffer the consequences, i.e., reduced federal matching funds. Note that PICs can meet their AFDC service requirements under JTPA without serving JOBS referrals. Moreover, as the research showed, there were no significant differences between the observed characteristics of those referred by DHS and those not so referred.

Recommendation #7

Texas agencies should resolve their existing differences regarding eligibility determination and referral and enrollment practices once and for all. The eligibility process should be streamlined and possibly consolidated so that it facilitates client access. Referral and enrollment mechanisms should be tightened considerably so that Texas receives full credit for JOBS program participation which is occurring and so that federal financial participation is maximized.

Joint Technical Assistance and Training (TAT). Just as joint planning has the potential for fostering better understanding and promoting closer coordination among the major partner agencies in the JOBS program, so does providing jointly-staffed TAT for local JOBS programs and their networks of service providers. The revised FY 1993 JOBS planning guidelines, a product of an interagency subcommittee of the IPG, represent a marked improvement over the earlier version. It is clear that the small group of staff which developed those guidelines gained a much fuller understanding of the program from their own agencies' vantage point, that of their partners. Further, they clearly reflect both state and substate views. TAT which is jointly developed and provided can only improve the level of program coordination and should lead to noticeable program enhancements. The process of approaching joint TAT for the JOBS program might also bring additional and unexpected policy and program insights to top-level state agency leaders as well.

Outcomes-Based Performance Management Systems. As outlined above, Texas should not wait for the federal government to mandate a minimally-oriented system for measuring outcomes from its welfare-to-work programs. To do so would all but guarantee that the system would be inadequate for the state's needs. With the collaborative services model which Texas developed under REFOCUS and carried forward under JOBS, it is essential that a comprehensive outcomes-based performance management system be designed and implemented. This system should both reflect the diversity of the JOBS program partners and be based on common performance measures associated with the goal of the program: long-term economic self-sufficiency for participants. Working within such a system should go a long way towards fostering program coordination.

Results-Oriented Coordination Bonuses. Generally, job training and welfare-employment programs have been strongly encouraged to coordinate more, or they have been threatened with having their plans rejected for lack of adequate coordination. There has seldom been anything at stake from poorly coordinated service delivery. An alternative approach would be to offer real bonuses as a reward for coordination results. This would be consistent with pursuing an outcomes-oriented effort more generally. For example, a portion of Texas JOBS (and possibly other) funding might be held back at the state level for rewarding local programs which showed real coordination results, such as adding new co-located services, offering joint case staffings with case managers from different programs, etc. Bonuses would be awarded for intermediate results rather than pure process (e.g., meetings, agreements). Precedent for tying incentive bonuses to results can be found in the early the Comprehensive Employment and Training Act of 1973 under which local programs merging to encompass complete labor market areas were granted "consortium bonuses."

Recommendation #8

Texas agencies should design and implement results-oriented incentive bonuses for rewarding local JOBS programs which exhibit enhanced coordination. These bonuses could be funded with a combination of JOBS and other funds.

Locally-Based Human Investment System Pilots. As mentioned above, several local communities around the state have initiated their own home-grown HIS projects. Corpus Christi stands out in this regard, although San Antonio has moved into the limelight recently. The award of three Client Access Pilot projects in mid-1992 in Dallas, Lubbock and Schleicher counties to test integrated human services models is a related development initiated under House Bill 7.[40] Each of these will be trying varying aspects of integrated services in distinctly different environments.

There is still room for considerable experimentation with locally-based pilots along HIS lines, where locals actually have the freedom to set their own goals, develop their own strategies within overall (all key programs) resource constraints. The model presented by the JOBS program—focusing on poor welfare caretakers and their families and emphasizing multi-agency collaboration to provide a broad array of education, training, employment and support services—represents one very logical vehicle for such experimentation. Enhanced funding over sufficiently long periods of time should be part of the effort. El Paso, Corpus Christi, San Antonio, or several other communities which have

[40]Schleicher is a rural county in DHS Region 4 in the Concho Valley.

demonstrated high and continuing levels of community-based support—political, economic and programmatic—would be excellent candidates.

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Appendix A

Statistical Results from State and Substate Regions

Table A-1
Independent Variable Effects on
Probability of Exit from AFDC - Statewide Results

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
BLACK	-22.14	0.0365	27.4	9.2
NOHS	-2.75	0.0532	18.8	0.6
HISPANIC	-14.88	0.0422	23.7	5.5
AFDCDUR	-21.54	0.0526	19.0	0.8
MT1KID	-10.60	0.0468	21.4	3.2
KIDEAGE1	-1.29	0.0549	18.2	0.0
AGE1	-2.89	0.0548	18.2	0.1
AGEO25	-0.12	0.0549	18.2	0.0
UNEMP	-2.83	0.0541	18.5	0.3
REFERENCE		0.0550	18.2	0.0
TEENMOM	0.83	0.0557	17.9	-0.2
KIDYAGE	11.42	0.0561	17.8	-0.3
RURAL	3.47	0.0577	17.3	-0.8
EARNPOST	51.37	0.0599	16.7	-1.5
AGEU18	1.78	0.0591	16.9	-1.2
MALE	6.84	0.0662	15.1	-3.1
URBAN	-3.65	0.0523	19.1	0.9
Program Variables				
Baseline Period Effect				
ESCURR	-4.63	0.0477	20.9	2.8
ESNUM	7.01	0.0588	17.0	-1.2
JTPACURR	-0.93	0.0516	19.4	1.2
JTPADUR	1.46	0.0579	17.3	-0.9
Coordination Period Effect				
ESCURRCOORD	-0.51	0.0541	18.5	0.3
ESNUMCOORD	18.24	0.0685	14.6	-3.5
JTPACURRCOORD	-3.03	0.0455	22.0	3.8
JTPADURCOORD	5.31	0.0625	16.0	-2.2
Difference Between Baseline and Coordination Periods				
ESCURDIFF	2.70	0.0064	-2.4632	-2.4632
ESNUMDIFF	10.97	0.0097	-2.4172	-2.4172
JTPACURRDIFF	-1.27	-0.0061	2.6107	2.6107
JTPADURDIFF	1.86	0.0045	-1.2535	-1.2535

Notes: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-2
Independent Variable Effects on Probability of Re-Entry to AFDC - Statewide Results

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from Reference
Personal and Environmental Variables				
AGEU18	-5.03	0.0185	54.0	24.8
MALE	-4.62	0.0223	44.9	15.7
EARNPOST	-14.86	0.0322	31.0	1.9
KIDEAGE1	-6.11	0.0331	30.2	1.0
AFDCDUR	-3.22	0.0336	29.8	0.6
AGE1	-5.62	0.0336	29.8	0.6
REFERENCE		0.0343	29.2	0.0
URBAN	0.70	0.0352	28.4	-0.7
RURAL	2.89	0.0380	26.3	-2.9
KIDYAGE	5.27	0.0351	28.5	-0.7
TEENMOM	3.05	0.0387	25.8	-3.3
HISPANIC	1.44	0.0363	27.5	-1.6
NOHS	4.96	0.0402	24.9	-4.3
AGEO25	5.80	0.0431	23.2	-6.0
BLACK	7.12	0.0441	22.7	-6.5
UNEMP	3.13	0.0361	27.7	-1.4
MTRID	11.42	0.0491	20.4	-8.8
Program Variables				
Baseline Period Effect				
ESCURR	6.69	0.0532	18.8	-10.4
ESNUM	7.04	0.0410	24.4	-4.8
JTPACURR	-0.09	0.0336	29.7	0.6
JTPADUR	1.03	0.0376	26.6	-2.6
Coordination Period Effect				
ESCURRCOORD	7.76	0.0557	18.0	-11.2
ESNUMCOORD	-2.99	0.0312	32.1	2.9
JTPACURRCOORD	-0.80	0.0295	33.9	4.7
JTPADURCOORD	-1.39	0.0317	31.6	2.4
Difference Between Baseline and Coordination Periods				
ESCURDIFF	0.63	0.0025	-0.8374	-0.8374
ESNUMDIFF	-7.19	-0.0098	7.6934	7.6934
JTPACURRDIFF	-0.44	-0.0041	4.1312	4.1312
JTPADURDIFF	-1.60	-0.0059	4.9661	4.9661

Note: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-3
Independent Variable Effects on Probability of Exit from AFDC to Employment - Statewide Results

Variable	t-Ratio	Probability of Exit to Employment	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
AGEU18	-4.85	0.0148	67.5	21.7
NOHS	-10.48	0.0174	57.4	11.6
MT1KID	-4.37	0.0196	50.9	5.1
UNEMP	-8.77	0.0201	49.8	4.0
BLACK	-2.77	0.0204	49.1	3.3
AFDCDUR	-19.21	0.0205	48.9	3.1
AGE1	-5.39	0.0216	46.3	0.5
TEENMOM	-1.81	0.0209	47.9	2.1
HISPANIC	-1.18	0.0212	47.2	1.4
URBAN	-1.25	0.0212	47.1	1.3
KIDEAGE1	-1.34	0.0217	46.0	0.2
REFERENCE		0.0218	45.8	0.0
RURAL	1.21	0.0224	44.6	-1.2
AGE025	1.96	0.0229	43.6	-2.2
KIDYAGE	7.42	0.0223	44.9	-0.9
MALE	2.67	0.0246	40.6	-5.2
Program Variables				
Baseline Period Effect				
ESCURR	1.02	0.0228	43.8	-2.0
ESNUM	10.96	0.0255	39.2	-6.6
JTPACURR	-0.22	0.0213	46.9	1.1
JTPADUR	2.34	0.0247	40.5	-5.3
Coordination Period Effect				
ESCURRCOORD	4.95	0.0276	36.3	-9.5
ESNUMCOORD	25.16	0.0348	28.8	-17.1
JTPACURRCOORD	-0.81	0.0201	49.7	3.8
JTPADURCOORD	6.80	0.0285	35.1	-10.7
Difference Between Baseline and Coordination Periods				
ESCURDIFF	3.15	0.0047	-7.5402	-7.5402
ESNUMDIFF	15.61	0.0093	-10.4907	-10.4907
JTPACURRDIFF	-0.39	-0.0012	2.7559	2.7559
JTPADURDIFF	2.37	0.0037	-5.3286	-5.3286

Note: Probability of exit to employment is presented for any given month
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-4
Independent Variable Effects on Probability of Job Loss
for Former AFDC Recipients - Statewide Results

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from Reference
Personal and Environmental Variables				
MT1KID	-7.32	0.3851	2.6	0.2
EARNPOST	-65.24	0.3993	2.5	0.1
BLACK	-5.72	0.3928	2.5	0.2
KIDYAGE	-3.01	0.4225	2.4	0.0
AGEO25	0.78	0.4293	2.3	0.0
HISPANIC	-3.28	0.4047	2.5	0.1
AFDCDUR	-1.04	0.4235	2.4	0.0
REFERENCE		0.4245	2.4	0.0
AGE1	-2.42	0.4231	2.4	0.0
KIDEAGE1	-3.01	0.4225	2.4	0.0
TEENMOM	0.01	0.4246	2.4	0.0
AGEU18	0.68	0.4381	2.3	-0.1
URBAN	3.57	0.4429	2.3	-0.1
NOHS	0.25	0.4257	2.3	0.0
RURAL	-0.50	0.4218	2.4	0.0
UNEMP	3.95	0.4346	2.3	-0.1
MALE	7.35	0.5045	2.0	-0.4
Program Variables				
Baseline Period Effect				
ESCURR	3.80	0.4533	2.2	-0.1
ESNUM	5.92	0.4436	2.3	-0.1
JTPACURR	-2.75	0.3552	2.8	0.5
JTPADUR	3.66	0.4695	2.1	-0.2
Coordination Period Effect				
ESCURRCOORD	-0.96	0.4174	2.4	0.0
ESNUMCOORD	-10.00	0.3841	2.6	0.2
JTPACURRCOORD	-2.01	0.3832	2.6	0.3
JTPADURCOORD	-2.38	0.4063	2.5	0.1
Difference Between Baseline and Coordination Periods				
ESCURDIFF	-3.47	-0.0359	0.1897	0.1897
ESNUMDIFF	-11.82	-0.0595	0.3491	0.3491
JTPACURRDIFF	0.86	0.0280	-0.2059	-0.2059
JTPADURDIFF	-4.37	-0.0632	0.3312	0.3312

Note: Probability of job loss is presented for any given quarter.
Expected employment duration is expressed in quarters.
Statistically significant variables are shaded.

Table A-5
Independent Variable Effects on
Probability of Exit from AFDC - Region 1 Results

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
BLACK	-14.73	0.0386	25.9	8.5
NOHS	-7.25	0.0500	20.0	2.6
HISPANIC	-5.10	0.0516	19.4	2.0
AFDCDUR	-19.63	0.0536	18.6	1.2
MT1KID	-2.44	0.0545	18.3	0.9
KIDEAGE1	-3.11	0.0569	17.6	0.2
AGE1	-2.05	0.0572	17.5	0.1
AGEO25	-0.46	0.0568	17.6	0.2
UNEMP	-0.18	0.0572	17.5	0.1
REFERENCE		0.0574	17.4	0.0
TEENMOM	0.51	0.0580	17.2	-0.2
KIDYAGE	9.99	0.0588	17.0	-0.4
RURAL	4.11	0.0611	16.4	-1.1
EARNPOST	39.40	0.0634	15.8	-1.6
AGEU18	2.03	0.0636	15.7	-1.7
MALE	5.39	0.0698	14.3	-3.1
URBAN	6.57	0.1160	8.6	-8.8
Program Variables				
Baseline Period Effect				
ESCURR	-3.30	0.0492	20.3	2.9
ESNUM	3.87	0.0614	16.3	-1.1
JTPACURR	-2.03	0.0443	22.6	5.2
JTPADUR	-0.15	0.0568	17.6	0.2
Coordination Period Effect				
ESCURRCOORD	-1.24	0.0545	18.4	0.9
ESNUMCOORD	16.67	0.0737	13.6	-3.9
JTPACURRCOORD	-3.33	0.0432	23.1	5.7
JTPADURCOORD	2.03	0.0610	16.4	-1.0
Difference Between Baseline and Coordination Periods				
ESCURDIFF	1.56	0.0053	-1.9817	-1.9817
ESNUMDIFF	8.97	0.0123	-2.7282	-2.7282
JTPACURRDIFF	-0.14	-0.0010	0.5443	0.5443
JTPADURDIFF	0.99	0.0042	-1.2162	-1.2162

Notes: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-6
Independent Variable Effects on Probability of Re-Entry to AFDC - Region 1 Results

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from Reference
Personal and Environmental Variables				
URBAN	-2.87	0.0125	79.9	54.0
AGEU18	-4.62	0.0214	46.7	20.8
MALE	-4.57	0.0247	40.5	14.5
EARNPOST	-10.03	0.0368	27.2	1.3
KIDEAGE1	-6.11	0.0371	26.9	1.0
AFDCDUR	-3.40	0.0375	26.7	0.7
AGE1	-3.97	0.0379	26.4	0.4
RURAL	-1.06	0.0372	26.9	1.0
REFERENCE		0.0386	25.9	0.0
TEENMOM	1.78	0.0417	24.0	-2.0
KIDYAGE	5.04	0.0396	25.3	-0.7
UNEMP	3.41	0.0435	23.0	-3.0
HISPANIC	3.25	0.0439	22.8	-3.1
NOHS	4.69	0.0457	21.9	-4.0
AGEO25	5.63	0.0491	20.4	-5.6
BLACK	5.87	0.0494	20.2	-5.7
MT1KID	7.33	0.0506	19.7	-6.2
Program Variables				
Baseline Period Effect				
ESCURR	6.10	0.0627	15.9	-10.0
ESNUM	4.98	0.0465	21.5	-4.4
JTPACURR	-1.28	0.0251	39.8	13.9
JTPADUR	0.23	0.0396	25.2	-0.7
Coordination Period Effect				
ESCURRCOORD	7.93	0.0629	15.9	-10.0
ESNUMCOORD	-1.85	0.0365	27.4	1.5
JTPACURRCOORD	3.18	0.0598	16.7	-9.2
JTPADURCOORD	-2.20	0.0340	29.5	3.5
Difference Between Baseline and Coordination Periods				
ESCURDIFF	0.02	0.0001	-0.0302	-0.0302
ESNUMDIFF	-5.31	-0.0101	5.9320	5.9320
JTPACURRDIFF	2.79	0.0347	-23.0957	-23.0957
JTPADURDIFF	-1.11	-0.0057	4.2244	4.2244

Note: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-7
Independent Variable Effects on Probability of Exit from AFDC to Employment - Region 1 Results

Variable	t-Ratio	Probability of Exit to Employment	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
NOHS	-12.83	0.0175	57.1	18.3
AGEU18	-3.78	0.0184	54.3	15.5
BLACK	-4.08	0.0225	44.5	5.7
RURAL	-4.29	0.0233	42.9	4.1
UNEMP	-3.92	0.0234	42.7	3.9
AFDCDUR	-14.87	0.0240	41.7	2.9
HISPANIC	-2.16	0.0242	41.3	2.5
AGE1	-4.27	0.0255	39.3	0.4
KIDEAGE1	-2.17	0.0255	39.2	0.3
TEENMOM	-0.64	0.0253	39.6	0.8
REFERENCE		0.0258	38.8	0.0
MT1KID	1.15	0.0266	37.6	-1.2
KIDYAGE	6.84	0.0264	37.9	-0.9
AGE025	2.15	0.0276	36.3	-2.6
MALE	2.52	0.0295	33.9	-4.9
URBAN	3.29	0.0444	22.5	-16.3
Program Variables				
Baseline Period Effect				
ESCURR	0.68	0.0268	37.3	-1.5
ESNUM	4.79	0.0288	34.7	-4.1
JTPACURR	0.21	0.0266	37.6	-1.2
JTPADUR	1.91	0.0303	33.0	-5.8
Coordination Period Effect				
ESCURRCOORD	2.94	0.0303	33.0	-5.8
ESNUMCOORD	19.20	0.0388	25.8	-13.0
JTPACURRCOORD	1.77	0.0209	48.0	9.1
JTPADURCOORD	6.44	0.0336	29.7	-9.1
Difference Between Baseline and Coordination Periods				
ESCURDIFF	1.62	0.0035	-4.3018	-4.3018
ESNUMDIFF	11.11	0.0100	-8.9450	-8.9450
JTPACURRDIFF	-1.19	-0.0058	10.3720	10.3720
JTPADURDIFF	1.26	0.0034	-3.3157	-3.3157

Note: Probability of exit to employment is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-8
Independent Variable Effects on Probability of Job Loss
for Former AFDC Recipients - Region 1 Results

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from Reference
Personal and Environmental Variables				
MT1KID	-5.21	0.3808	2.6	0.2
EARNPOST	-56.90	0.3840	2.6	0.2
BLACK	-2.54	0.3976	2.5	0.1
KIDYAGE	-3.64	0.4117	2.4	0.0
AGEO25	-1.01	0.4074	2.5	0.0
HISPANIC	-0.82	0.4096	2.4	0.0
AFDCDUR	-1.38	0.4129	2.4	0.0
REFERENCE		0.4147	2.4	0.0
AGE1	0.96	0.4154	2.4	0.0
KIDEAGE1	0.90	0.4156	2.4	0.0
TEENMOM	1.26	0.4235	2.4	0.0
AGEU18	0.83	0.4338	2.3	-0.1
URBAN	1.24	0.4622	2.2	-0.2
NOHS	2.28	0.4278	2.3	-0.1
RURAL	4.00	0.4357	2.3	-0.1
UNEMP	6.87	0.4550	2.2	-0.2
MALE	7.28	0.5019	2.0	-0.4
Program Variables				
Baseline Period Effect				
ESCURR	0.88	0.4235	2.4	-0.1
ESNUM	6.64	0.4487	2.2	-0.2
JTPACURR	-2.53	0.3301	3.0	0.6
JTPADUR	3.48	0.4763	2.1	-0.3
Coordination Period Effect				
ESCURRCOORD	0.39	0.4180	2.4	0.0
ESNUMCOORD	-8.78	0.3768	2.7	0.2
JTPACURRCOORD	-0.72	0.3993	2.5	0.1
JTPADURCOORD	-0.76	0.4086	2.4	0.0
Difference Between Baseline and Coordination Periods				
ESCURDIFF	-0.44	-0.0056	0.0315	0.0315
ESNUMDIFF	-10.99	-0.0719	0.4252	0.4252
JTPACURRDIFF	1.74	0.0691	-0.5246	-0.5246
JTPADURDIFF	-3.49	-0.0677	0.3478	0.3478

Note: Probability of job loss is presented for any given quarter.
Expected employment duration is expressed in quarters.
Statistically significant variables are shaded.

Table A-9
Independent Variable Effects on
Probability of Exit from AFDC - Region 3 Results

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
HISPANIC	-13.33	0.0365	27.4	9.5
BLACK	-4.59	0.0451	22.2	4.3
MT1KID	-5.70	0.0504	19.9	2.0
AFDCDUR	-21.57	0.0529	18.9	1.1
KIDEAGE1	-2.96	0.0556	18.0	0.1
AGE1	-2.93	0.0558	17.9	0.1
AGEU18	-1.71	0.0507	19.7	1.9
AGEO25	-1.70	0.0540	18.5	0.7
UNEMP	-1.32	0.0541	18.5	0.6
REFERENCE		0.0561	17.8	0.0
TEENMOM	0.33	0.0564	17.7	-0.1
KIDYAGE	9.47	0.0572	17.5	-0.4
RURAL	2.35	0.0614	16.3	-1.6
EARNPOST	42.83	0.0614	16.3	-1.6
NOHS	10.67	0.0651	15.4	-2.5
MALE	9.04	0.0749	13.4	-4.5
URBAN	3.58	0.0998	10.0	-7.8
Program Variables				
Baseline Period Effect				
ESCURR	-3.61	0.0479	20.9	3.0
ESNUM	6.32	0.0617	16.2	-1.6
JTPACURR	-1.64	0.0470	21.3	3.4
JTPADUR	4.47	0.0690	14.5	-3.4
Coordination Period Effect				
ESCURRCOORD	-0.40	0.0551	18.1	0.3
ESNUMCOORD	15.99	0.0730	13.7	-4.1
JTPACURRCOORD	-2.31	0.0475	21.1	3.2
JTPADURCOORD	4.30	0.0627	16.0	-1.9
Difference Between Baseline and Coordination Periods				
ESCURDIFF	2.26	0.0072	-2.7396	-2.7396
ESNUMDIFF	8.50	0.0114	-2.5274	-2.5274
JTPACURRDIFF	0.07	0.0005	-0.2037	-0.2037
JTPADURDIFF	-1.94	-0.0064	1.4737	1.4737

Notes: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-10
Independent Variable Effects on Probability of Re-Entry to AFDC - Region 3 Results

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from Reference
Personal and Environmental Variables				
MALE	-4.82	0.0019	521.6	461.3
NOHS	-8.55	0.0037	267.4	207.2
AGEU18	-2.37	0.0065	153.6	93.3
EARNPOST	-8.58	0.0151	66.0	5.8
KIDEAGE1	-4.94	0.0155	64.6	4.4
AGE1	-4.16	0.0160	62.6	2.4
BLACK	-0.31	0.0154	64.7	4.5
AFDCDUR	-1.51	0.0162	61.8	1.6
REFERENCE		0.0166	60.3	0.0
URBAN	0.74	0.0281	35.6	-24.6
KIDYAGE	4.22	0.0174	57.4	-2.9
TEENMOM	3.52	0.0230	43.6	-16.7
MT1KID	6.35	0.0272	36.7	-23.6
AGE025	5.80	0.0279	35.8	-24.4
UNEMP	5.26	0.0300	33.3	-26.9
RURAL	3.81	0.0313	32.0	-28.3
HISPANIC	6.57	0.0316	31.6	-28.6
Program Variables				
Baseline Period Effect				
ESCURR	7.36	0.0453	22.1	-38.2
ESNUM	3.40	0.0216	46.2	-14.0
JTPACURR	1.09	0.0271	36.9	-23.3
JTPADUR	-1.40	0.0114	88.0	27.8
Coordination Period Effect				
ESCURRCOORD	7.86	0.0431	23.2	-37.1
ESNUMCOORD	-0.83	0.0154	64.8	4.6
JTPACURRCOORD	0.69	0.0210	47.6	-12.7
JTPADURCOORD	-3.38	0.0105	94.9	34.6
Difference Between Baseline and Coordination Periods				
ESCURDIFF	-0.43	-0.0022	1.1433	1.1433
ESNUMDIFF	-3.15	-0.0062	18.5844	18.5844
JTPACURRDIFF	-0.53	-0.0061	10.6414	10.6414
JTPADURDIFF	-0.20	-0.0008	6.8233	6.8233

Note: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-11
Independent Variable Effects on Probability of Exit from AFDC to Employment - Region 3 Results

Variable	t-Ratio	Probability of Exit to Employment	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
AGEU18	-5.70	0.0106	94.1	48.2
UNEMP	-3.24	0.0189	53.0	7.2
HISPANIC	-2.99	0.0190	52.5	6.7
AFDCDUR	-16.67	0.0203	49.4	3.5
KIDEAGE1	-3.60	0.0215	46.5	0.7
AGE1	-3.75	0.0216	46.3	0.4
TEENMOM	-1.23	0.0210	47.7	1.8
BLACK	-0.33	0.0213	46.9	1.1
MT1KID	-0.56	0.0215	46.6	0.8
AGEO25	-0.02	0.0218	45.9	0.0
REFERENCE		0.0218	45.9	0.0
RURAL	0.56	0.0226	44.2	-1.6
NOHS	1.83	0.0228	43.9	-2.0
URBAN	0.26	0.0238	42.0	-3.9
KIDYAGE	6.28	0.0223	44.9	-1.0
MALE	3.71	0.0267	37.4	-8.4
Program Variables				
Baseline Period Effect				
ESCURR	1.12	0.0234	42.8	-3.0
ESNUM	7.86	0.0261	38.3	-7.5
JTPACURR	1.02	0.0252	39.6	-6.2
JTPADUR	4.36	0.0295	33.9	-12.0
Coordination Period Effect				
ESCURRCOORD	4.80	0.0289	34.6	-11.3
ESNUMCOORD	23.65	0.0392	25.5	-20.3
JTPACURRCOORD	0.15	0.0222	45.1	0.8
JTPADURCOORD	7.88	0.0300	33.3	-12.6
Difference Between Baseline and Coordination Periods				
ESCURDIFF	2.76	0.0056	-8.2545	-8.2545
ESNUMDIFF	14.79	0.0131	-12.8069	-12.8069
JTPACURRDIFF	-0.73	-0.0030	5.4440	5.4440
JTPADURDIFF	0.24	0.0005	-0.5616	-0.5616

Note: Probability of exit to employment is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-12
Independent Variable Effects on Probability of Job Loss
for Former AFDC Recipients - Region 3 Results

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from Reference
Personal and Environmental Variables				
MT1KID	-5.00	0.3206	3.1	0.3
EARNPOST	-49.92	0.3305	3.0	0.2
KIDYAGE	-2.05	0.3564	2.8	0.0
BLACK	-1.49	0.3343	3.0	0.2
HISPANIC	-0.93	0.3488	2.9	0.1
NOHS	-0.82	0.3531	2.8	0.0
AGE1	-0.16	0.3582	2.8	0.0
REFERENCE		0.3583	2.8	0.0
KIDEAGE1	0.82	0.3592	2.8	0.0
AFDCDUR	1.06	0.3597	2.8	0.0
TEENMOM	0.51	0.3624	2.8	0.0
AGEO25	0.77	0.3649	2.7	-0.1
RURAL	1.01	0.3751	2.7	-0.1
URBAN	0.32	0.3835	2.6	-0.2
AGEU18	0.81	0.3852	2.6	-0.2
MALE	2.88	0.3988	2.5	-0.3
UNEMP	5.30	0.4152	2.4	-0.4
Program Variables				
Baseline Period Effect				
ESCURR	2.86	0.3901	2.6	-0.2
ESNUM	5.05	0.3872	2.6	-0.2
JTPACURR	-2.78	0.2652	3.8	1.0
JTPADUR	2.51	0.3965	2.5	-0.3
Coordination Period Effect				
ESCURRCOORD	3.25	0.3902	2.6	-0.2
ESNUMCOORD	-7.88	0.3137	3.2	0.4
JTPACURRCOORD	-0.85	0.3374	3.0	0.2
JTPADURCOORD	-1.41	0.3483	2.9	0.1
Difference Between Baseline and Coordination Periods				
ESCURDIFF	0.01	0.0001	-0.0007	-0.0007
ESNUMDIFF	-9.41	-0.0736	0.6059	0.6059
JTPACURRDIFF	1.75	0.0722	-0.8072	-0.8072
JTPADURDIFF	-2.88	-0.0481	0.3486	0.3486

Note: Probability of job loss is presented for any given quarter.
Expected employment duration is expressed in quarters.
Statistically significant variables are shaded.

Table A-13
Independent Variable Effects on
Probability of Exit from AFDC - Region 9 Results

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
URBAN	-6.52	0.0434	23.0	9.1
RURAL	-3.91	0.0547	18.3	4.3
BLACK	-11.37	0.0597	16.7	2.8
HISPANIC	-14.20	0.0600	16.7	2.7
MT1KID	-9.40	0.0650	15.4	1.4
AFDCDUR	-24.14	0.0694	14.4	0.4
AGEO25	-2.43	0.0697	14.3	0.4
AGE1	-4.02	0.0714	14.0	0.1
TEENMOM	-0.87	0.0710	14.1	0.1
KIDEAGE1	-0.82	0.0716	14.0	0.0
REFERENCE		0.0716	14.0	0.0
UNEMP	0.50	0.0718	13.9	0.0
NOHS	2.05	0.0729	13.7	-0.2
KIDYAGE	16.44	0.0730	13.7	-0.3
EARNPOST	49.07	0.0757	13.2	-0.7
AGEU18	4.84	0.0807	12.4	-1.6
MALE	14.02	0.0914	10.9	-3.0
Program Variables				
Baseline Period Effect				
ESCURR	-4.16	0.0649	15.4	1.5
ESNUM	11.50	0.0783	12.8	-1.2
JTPACURR	-0.52	0.0696	14.4	0.4
JTPADUR	1.22	0.0751	13.3	-0.6
Coordination Period Effect				
ESCURRCOORD	-3.32	0.0655	15.3	1.3
ESNUMCOORD	24.43	0.0923	10.8	-3.1
JTPACURRCOORD	-1.62	0.0661	15.1	1.2
JTPADURCOORD	5.58	0.0844	11.8	-2.1
Difference Between Baseline and Coordination Periods				
ESCURDIFF	0.26	0.0006	-0.1525	-0.1525
ESNUMDIFF	14.00	0.0140	-1.9329	-1.9329
JTPACURRDIFF	-0.68	-0.0035	0.7641	0.7641
JTPADURDIFF	2.55	0.0093	-1.4654	-1.4654

Notes: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-14
Independent Variable Effects on Probability of Re-Entry to AFDC - Region 9 Results

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from Reference
Personal and Environmental Variables				
AGEU18	-7.31	0.0108	92.9	61.6
MALE	-6.31	0.0165	60.5	29.2
NOHS	-2.01	0.0294	34.0	2.7
EARNPOST	-13.40	0.0300	33.3	2.0
KIDEAGE1	-6.38	0.0307	32.5	1.3
AGE1	-5.10	0.0313	31.9	0.7
AFDCDUR	-2.71	0.0314	31.8	0.6
REFERENCE		0.0320	31.3	0.0
URBAN	0.83	0.0378	26.5	-4.8
RURAL	1.35	0.0414	24.1	-7.1
KIDYAGE	3.92	0.0326	30.6	-0.6
UNEMP	4.21	0.0341	29.3	-2.0
HISPANIC	3.56	0.0375	26.7	-4.6
TEENMOM	5.20	0.0399	25.1	-6.2
BLACK	4.32	0.0408	24.5	-6.8
AGE025	6.35	0.0422	23.7	-7.6
MT1KID	9.42	0.0448	22.3	-8.9
Program Variables				
Baseline Period Effect				
ESCURR	4.14	0.0456	21.9	-9.3
ESNUM	6.56	0.0392	25.5	-5.8
JTPACURR	-2.39	0.0097	102.6	71.3
JTPADUR	2.18	0.0434	23.0	-8.2
Coordination Period Effect				
ESCURRCOORD	8.82	0.0605	16.5	-14.7
ESNUMCOORD	-3.18	0.0279	35.9	4.6
JTPACURRCOORD	-0.23	0.0300	33.3	2.0
JTPADURCOORD	-1.92	0.0238	42.1	10.8
Difference Between Baseline and Coordination Periods				
ESCURDIFF	3.24	0.0149	-5.4017	-5.4017
ESNUMDIFF	-6.91	-0.0114	10.3838	10.3838
JTPACURRDIFF	1.60	0.0203	-69.2895	-69.2895
JTPADURDIFF	-2.92	-0.0197	19.0690	19.0690

Note: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-15
Independent Variable Effects on Probability of Exit from AFDC to Employment - Region 9 Results

Variable	t-Ratio	Probability of Exit to Employment	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
URBAN	-2.39	0.0208	48.1	11.5
AGEU18	-4.49	0.0219	45.6	8.9
HISPANIC	-6.89	0.0236	42.3	5.6
NOHS	-7.22	0.0244	40.9	4.2
MT1KID	-4.34	0.0253	39.5	2.9
TEENMOM	-3.63	0.0255	39.2	2.5
BLACK	-2.48	0.0256	39.1	2.4
AFDCDUR	-19.26	0.0261	38.3	1.6
UNEMP	-6.24	0.0262	38.1	1.4
AGE1	-7.59	0.0270	37.1	0.4
RURAL	-1.32	0.0237	42.3	5.6
REFERENCE		0.0273	36.7	0.0
KIDEAGE1	0.35	0.0273	36.6	0.0
AGEO25	0.57	0.0276	36.3	-0.4
KIDYAGE	10.42	0.0278	35.9	-0.7
MALE	3.02	0.0300	33.3	-3.4
Program Variables				
Baseline Period Effect				
ESCURR	-1.56	0.0257	38.9	2.2
ESNUM	15.98	0.0330	30.3	-6.4
JTPACURR	-0.17	0.0268	37.3	0.6
JTPADUR	2.64	0.0319	31.3	-5.4
Coordination Period Effect				
ESCURRCOORD	0.48	0.0267	37.5	0.8
ESNUMCOORD	29.95	0.0451	22.2	-14.5
JTPACURRCOORD	0.51	0.0284	35.2	-1.5
JTPADURCOORD	9.75	0.0428	23.3	-13.4
Difference Between Baseline and Coordination Periods				
ESCURDIFF	0.62	0.0010	-1.4344	-1.4344
ESNUMDIFF	17.74	0.0120	-8.0788	-8.0788
JTPACURRDIFF	0.47	0.0016	-2.0485	-2.0485
JTPADURDIFF	4.56	0.0109	-7.9710	-7.9710

Note: Probability of exit to employment is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-16
Independent Variable Effects on Probability of Job Loss
for Former AFCC Recipients - Region 9 Results

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from Reference
Personal and Environmental Variables				
MT1KID	-6.31	0.3662	2.7	0.2
EARNPOST	-55.17	0.3825	2.6	0.1
BLACK	-2.43	0.3837	2.6	0.1
AGE025	-2.32	0.3874	2.6	0.1
KIDYAGE	-4.75	0.3991	2.5	0.0
RURAL	-0.58	0.3864	2.6	0.1
AGEU18	-0.64	0.3904	2.6	0.1
URBAN	-0.40	0.3916	2.6	0.1
HISPANIC	-1.50	0.3931	2.5	0.1
KIDEAGE1	-0.20	0.4024	2.5	0.0
REFERENCE		0.4026	2.5	0.0
AFDCDUR	1.47	0.4040	2.5	0.0
UNEMP	0.56	0.4040	2.5	0.0
AGE1	2.15	0.4039	2.5	0.0
NOHS	2.19	0.4135	2.4	-0.1
TEENMOM	1.97	0.4148	2.4	-0.1
MALE	5.91	0.4653	2.1	-0.3
Program Variables				
Baseline Period Effect				
ESCURR	2.50	0.4238	2.4	-0.1
ESNUM	8.57	0.4346	2.3	-0.2
JTPACURR	-1.83	0.3492	2.9	0.4
JTPADUR	3.66	0.4697	2.1	-0.4
Coordination Period Effect				
ESCURRCOORD	-0.21	0.4008	2.5	0.0
ESNUMCOORD	-10.29	0.3513	2.8	0.4
JTPACURRCOORD	-0.89	0.3807	2.6	0.1
JTPADURCOORD	-3.97	0.3415	2.9	0.4
Difference Between Baseline and Coordination Periods				
ESCURDIFF	-1.94	-0.0229	0.1350	0.1350
ESNUMDIFF	-13.76	-0.0833	0.5454	0.5454
JTPACURRDIFF	0.83	0.0315	-0.2369	-0.2369
JTPADURDIFF	-5.40	-0.1282	0.7992	0.7992

Note: Probability of job loss is presented for any given quarter.
Expected employment duration is expressed in quarters.
Statistically significant variables are shaded.

Table A-17
Independent Variable Effects on Probability of Exit from AFDC - Region 10 Results

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
BLACK	-25.76	0.0384	26.0	8.7
AFDCDUR	-18.53	0.0555	18.0	0.7
UNEMP	-12.09	0.0513	19.5	2.2
NOHS	-8.65	0.0515	19.4	2.1
RURAL	-5.58	0.0536	18.7	1.3
MT1KID	-4.78	0.0537	18.6	1.3
KIDEAGE1	-3.36	0.0573	17.4	0.1
HISPANIC	-3.17	0.0490	20.4	3.1
AGE1	-1.83	0.0576	17.4	0.0
AGE025	-0.60	0.0571	17.5	0.2
REFERENCE		0.0577	17.3	0.0
TEENMOM	1.26	0.0589	17.0	-0.3
MALE	2.56	0.0622	16.1	-1.2
AGEU18	3.20	0.0658	15.2	-2.1
URBAN	4.65	0.0769	13.0	-4.3
KIDYAGE	11.61	0.0589	17.0	-0.3
EARNPOST	58.00	0.0647	15.4	-1.9
Program Variables				
Baseline Period Effect				
ESCURR	-2.69	0.0537	18.6	1.3
ESNUM	2.10	0.0589	17.0	-0.3
JTPACURR	0.21	0.0587	17.0	-0.3
JTPADUR	1.47	0.0619	16.2	-1.2
Coordination Period Effect				
ESCURRCOORD	-1.58	0.0552	18.1	0.8
ESNUMCOORD	20.64	0.0712	14.0	-3.3
JTPACURRCOORD	-1.56	0.0529	18.9	1.6
JTPADURCOORD	2.21	0.0599	16.7	-0.6
Difference Between Baseline and Coordination Periods				
ESCURDIFF	0.69	0.0015	-0.5150	-0.5150
ESNUMDIFF	14.64	0.0123	-2.9396	-2.9396
JTPACURRDIFF	-1.07	-0.0057	1.8478	1.8478
JTPADURDIFF	-0.67	-0.0020	0.5350	0.5350

Note: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-18
Independent Variable Effects on Probability of Re-Entry to AFDC - Region 10 Results

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from Reference
Personal and Environmental Variables				
AGEU18	-7.33	0.0046	218.6	186.9
EARNPOST	-13.47	0.0292	34.2	2.5
AFDCDUR	-5.23	0.0302	33.1	1.3
AGE1	-7.01	0.0305	32.8	1.1
KIDEAGE1	-4.71	0.0305	32.8	1.0
MALE	-1.58	0.0269	37.1	5.4
URBAN	-0.52	0.0284	35.2	3.4
HISPANIC	-0.58	0.0289	34.6	2.9
REFERENCE		0.0315	31.7	0.0
TEENMOM	1.43	0.0339	29.5	-2.2
KIDYAGE	4.54	0.0323	30.9	-0.8
RURAL	4.39	0.0375	26.7	-5.1
UNEMP	6.38	0.0379	26.4	-5.4
AGEO25	5.28	0.0407	24.6	-7.2
NOHS	7.08	0.0413	24.2	-7.5
MT1KID	7.40	0.0427	23.4	-8.3
BLACK	9.52	0.0442	22.7	-9.1
Program Variables				
Baseline Period Effect				
ESCURR	4.06	0.0440	22.7	-9.0
ESNUM	6.05	0.0384	26.1	-5.7
JTPACURR	-1.60	0.0171	58.4	26.7
JTPADUR	2.13	0.0405	24.7	-7.0
Coordination Period Effect				
ESCURRCOORD	8.04	0.0526	19.0	-12.7
ESNUMCOORD	-1.83	0.0298	33.6	1.9
JTPACURRCOORI	-1.01	0.0253	39.5	7.8
JTPADURCOORD	-2.58	0.0277	36.1	4.4
Difference Between Baseline and Coordination Periods				
ESCURDIFF	2.14	0.0086	-3.7147	-3.7147
ESNUMDIFF	-5.92	-0.0086	7.5270	7.5270
JTPACURRDIFF	0.75	0.0082	-18.8834	-18.8834
JTPADURDIFF	-2.88	-0.0128	11.4153	11.4153

Notes: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-19
Independent Variable Effects on Probability of Exit from AFDC to Employment - Region 10 Results

Variable	t-Ratio	Probability of Exit to Employment	Expected Spell Length	from Reference
Personal and Environmental Variables				
AGEU18	-4.07	0.0196	51.0	12.8
NOHS	-13.54	0.0199	50.2	12.0
UNEMP	-15.01	0.0210	47.6	9.5
TEENMOM	-4.14	0.0237	42.1	3.9
RURAL	-4.40	0.0240	41.6	3.4
AFDCDUR	-18.46	0.0247	40.4	2.3
BLACK	-2.93	0.0248	40.4	2.2
AGE1	-6.99	0.0258	38.7	0.5
KIDEAGE1	-2.24	0.0260	38.4	0.3
REFERENCE		0.0262	38.2	0.0
HISPANIC	0.29	0.0267	37.4	-0.7
MT1KID	1.06	0.0268	37.3	-0.8
AGEO25	1.39	0.0271	36.9	-1.3
URBAN	0.75	0.0282	35.5	-2.7
KIDYAGE	7.65	0.0267	37.5	-0.7
MALE	3.57	0.0302	33.1	-5.1
Program Variables				
Baseline Period Effect				
ESCURR	0.47	0.0266	37.5	-0.7
ESNUM	5.88	0.0283	35.4	-2.8
JTPACURR	2.41	0.0328	30.5	-7.7
JTPADUR	2.42	0.0305	32.8	-5.4
Coordination Period Effect				
ESCURRCOORD	3.80	0.0303	33.0	-5.1
ESNUMCOORD	28.72	0.0394	25.4	-12.8
JTPACURRCOOR	1.03	0.0283	35.3	-2.8
JTPADURCOORD	5.82	0.0301	33.2	-5.0
Difference Between Baseline and Coordination Periods				
ESCURDIFF	2.52	0.0036	-4.4795	-4.4795
ESNUMDIFF	19.64	0.0112	-10.0194	-10.0194
JTPACURRDIFF	-1.32	-0.0045	4.8861	4.8861
JTPADURDIFF	-0.20	-0.0004	0.4088	0.4088

Note: Probability of exit to employment is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-20
Independent Variable Effects on Probability of Job Loss
for Former AFDC Recipients - Region 10 Results

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from Reference
Personal and Environmental Variables				
BLACK	-6.27	0.3103	3.2	0.3
EARNPOST	-57.27	0.3144	3.2	0.3
MT1KID	-3.47	0.3227	3.1	0.2
AFDCDUR	-2.21	0.3415	2.9	0.0
KIDYAGE	-2.74	0.3417	2.9	0.0
HISPANIC	-1.05	0.3239	3.1	0.2
AGE1	-1.45	0.3427	2.9	0.0
REFERENCE		0.3436	2.9	0.0
AGEO25	0.11	0.3444	2.9	0.0
TEENMOM	0.16	0.3447	2.9	0.0
NOHS	1.83	0.3543	2.8	-0.1
AGEU18	1.31	0.3778	2.6	-0.3
KIDEAGE1	2.09	0.3455	2.9	0.0
RURAL	6.89	0.3810	2.6	-0.3
UNEMP	14.21	0.4027	2.5	-0.4
URBAN	3.11	0.4195	2.4	-0.5
MALE	9.83	0.4584	2.2	-0.7
Program Variables				
Baseline Period Effect				
ESCURR	2.81	0.3672	2.7	-0.2
ESNUM	3.46	0.3563	2.8	-0.1
JTPACURR	-0.93	0.3154	3.2	0.3
JTPADUR	0.99	0.3608	2.8	-0.1
Coordination Period Effect				
ESCURRCOORD	-0.30	0.3416	2.9	0.0
ESNUMCOORD	-8.81	0.3135	3.2	0.3
JTPACURRCOORD	0.14	0.3464	2.9	0.0
JTPADURCOORD	-2.49	0.3307	3.0	0.1
Difference Between Baseline and Coordination Periods				
ESCURDIFF	-2.41	-0.0256	0.2043	0.2043
ESNUMDIFF	-8.67	-0.0429	0.3840	0.3840
JTPACURRDIFF	0.86	0.0311	-0.2844	-0.2844
JTPADURDIFF	-1.66	-0.0301	0.2519	0.2519

Note: Probability of job loss is presented for any given quarter.
Expected employment duration is expressed in quarters.
Statistically significant variables are shaded.

Table A-21
Independent Variable Effects on
Probability of Exit from AFDC - Region 11 Results

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
BLACK	-24.23	0.0418	23.9	7.2
URBAN	-8.92	0.0524	19.1	2.4
MT1KID	-10.00	0.0525	19.0	2.3
HISPANIC	-6.93	0.0534	18.7	2.0
NOHS	-9.33	0.0542	18.5	1.7
UNEMP	-6.18	0.0560	17.9	1.1
AFDCDUR	-19.48	0.0578	17.3	0.6
AGE1	-3.22	0.0596	16.8	0.1
RURAL	-1.49	0.0580	17.3	0.5
TEENMOM	-1.00	0.0591	16.9	0.2
AGEO25	-0.64	0.0593	16.9	0.1
KIDEAGE1	-1.38	0.0597	16.8	0.0
REFERENCE		0.0598	16.7	0.0
KIDYAGE	15.35	0.0611	16.4	-0.4
EARNPOST	50.87	0.0635	15.8	-1.0
AGEU18	2.89	0.0665	15.0	-1.7
MALE	4.35	0.0676	14.8	-1.9
Program Variables				
Baseline Period Effect				
ESCURR	-5.20	0.0521	19.2	2.5
ESNUM	3.90	0.0622	16.1	-0.6
JTPACURR	-2.92	0.0513	19.5	2.8
JTPADUR	1.53	0.0623	16.1	-0.7
Coordination Period Effect				
ESCURRCOORD	-3.42	0.0534	18.7	2.0
ESNUMCOORD	13.74	0.0733	13.7	-3.1
JTPACURRCOORD	-5.33	0.0428	23.3	6.6
JTPADURCOORD	4.48	0.0670	14.9	-1.8
Difference Between Baseline and Coordination Periods				
ESCURDIFF	0.55	0.0013	-0.4734	-0.4734
ESNUMDIFF	9.69	0.0111	-2.4268	-2.4268
JTPACURRDIFF	-1.97	-0.0085	3.8622	3.8622
JTPADURDIFF	2.07	0.0047	-1.1254	-1.1254

Notes: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-22
Independent Variable Effects on Probability of Re-Entry to AFDC - Region 11 Results

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from Reference
Personal and Environmental Variables				
AGEU18	-7.01	0.0065	154.2	120.0
MALE	-3.74	0.0176	56.7	22.4
EARNPOST	-14.27	0.0274	36.4	2.2
KIDEAGE1	-5.25	0.0282	35.5	1.2
AFDCDUR	-4.30	0.0283	35.4	1.1
AGE1	-6.86	0.0283	35.4	1.1
REFERENCE		0.0292	34.2	0.0
URBAN	0.78	0.0303	33.0	-1.3
RURAL	1.12	0.0317	31.6	-2.7
KIDYAGE	3.73	0.0298	33.5	-0.7
TEENMOM	2.97	0.0335	29.8	-4.4
HISPANIC	3.45	0.0349	28.6	-5.6
NOHS	5.49	0.0360	27.8	-6.5
AGEO25	5.32	0.0374	26.7	-7.5
BLACK	7.67	0.0393	25.5	-8.8
UNEMP	10.07	0.0417	24.0	-10.2
MT1KID	12.70	0.0463	21.6	-12.6
Program Variables				
Baseline Period Effect				
ESCURR	5.39	0.0461	21.7	-12.5
ESNUM	3.49	0.0336	29.7	-4.5
JTPACURR	0.73	0.0338	29.6	-4.6
JTPADUR	1.35	0.0334	30.0	-4.3
Coordination Period Effect				
ESCURRCOORD	8.00	0.0547	18.3	-16.0
ESNUMCOORD	0.21	0.0295	33.9	-0.4
JTPACURRCOORD	0.30	0.0313	31.9	-2.3
JTPADURCOORD	-0.68	0.0275	36.3	2.1
Difference Between Baseline and Coordination Periods				
ESCURDIFF	1.95	0.0087	-3.4390	-3.4390
ESNUMDIFF	-2.04	-0.0041	4.1095	4.1095
JTPACURRDIFF	-0.27	-0.0025	2.3394	2.3394
JTPADURDIFF	-1.48	-0.0058	6.3221	6.3221

Note: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-23
Independent Variable Effects on Probability of Exit from AFDC to Employment - Region 11 Results

Variable	t-Ratio	Probability of Exit to Employment	Expected Spell Length	Change from Reference
Personal and Environmental Variables				
AGEU18	-4.19	0.0180	55.6	14.6
UNEMP	-13.14	0.0190	52.6	11.6
NOHS	-13.09	0.0192	52.1	11.1
URBAN	-4.37	0.0220	45.4	4.5
TEENMOM	-3.32	0.0227	44.0	3.0
BLACK	-2.93	0.0230	43.5	2.6
MT1KID	-2.96	0.0230	43.5	2.5
AFDCDUR	-19.26	0.0231	43.3	2.4
AGE1	-5.73	0.0241	41.4	0.5
RURAL	-0.45	0.0240	41.6	0.6
KIDEAGE1	-1.57	0.0243	41.2	0.2
REFERENCE		0.0244	41.0	0.0
AGEO25	1.48	0.0252	39.7	-1.3
KIDYAGE	9.49	0.0249	40.1	-0.9
HISPANIC	2.91	0.0262	38.2	-2.8
MALE	2.35	0.0272	36.8	-4.2
Program Variables				
Baseline Period Effect				
ESCURR	-1.58	0.0229	43.7	2.7
ESNUM	9.89	0.0283	35.4	-5.6
JTPACURR	-2.44	0.0199	50.3	9.4
JTPADUR	4.86	0.0294	34.0	-7.0
Coordination Period Effect				
ESCURRCOORD	2.21	0.0272	36.7	-4.2
ESNUMCOORD	23.06	0.0407	24.6	-16.4
JTPACURRCOORD	-5.58	0.0122	81.8	40.8
JTPADURCOORD	9.68	0.0357	28.0	-13.0
Difference Between Baseline and Coordination Periods				
ESCURDIFF	2.72	0.0043	-6.9106	-6.9106
ESNUMDIFF	15.54	0.0124	-10.8098	-10.8098
JTPACURRDIFF	-2.67	-0.0076	31.4795	31.4795
JTPADURDIFF	4.01	0.0063	-5.9736	-5.9736

Note: Probability of exit to employment is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-24
Independent Variable Effects on Probability of Job Loss
for Former AFDC Recipients - Region 11 Results

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from Reference
Personal and Environmental Variables				
BLACK	-5.68	0.3129	3.2	0.3
EARNPOST	-63.87	0.3220	3.1	0.2
MT1KID	-4.02	0.3221	3.1	0.2
KIDYAGE	-3.08	0.3410	2.9	0.0
AGEU18	-0.47	0.3335	3.0	0.1
TEENMOM	-0.99	0.3375	3.0	0.0
AGE1	-1.65	0.3420	2.9	0.0
AFDCDUR	-0.51	0.3425	2.9	0.0
REFERENCE		0.3430	2.9	0.0
RURAL	0.05	0.3435	2.9	0.0
HISPANIC	0.26	0.3448	2.9	0.0
AGEO25	0.71	0.3472	2.9	0.0
NOHS	0.87	0.3475	2.9	0.0
KIDEAGE1	2.43	0.3450	2.9	0.0
URBAN	3.76	0.3646	2.7	-0.2
UNEMP	20.51	0.4413	2.3	-0.6
MALE	9.43	0.4554	2.2	-0.7
Program Variables				
Baseline Period Effect				
ESCURR	4.95	0.3811	2.6	-0.3
ESNUM	1.86	0.3505	2.9	-0.1
JTPACURR	-4.61	0.2410	4.1	1.2
JTPADUR	1.70	0.3606	2.8	-0.1
Coordination Period Effect				
ESCURRCOORD	2.23	0.3603	2.8	-0.1
ESNUMCOORD	-8.37	0.2971	3.4	0.5
JTPACURRCOORD	0.80	0.3187	3.1	0.2
JTPADURCOORD	-1.13	0.3330	3.0	0.1
Difference Between Baseline and Coordination Periods				
ESCURDIFF	-1.93	-0.0208	0.1518	0.1518
ESNUMDIFF	-7.90	-0.0534	0.5131	0.5131
JTPACURRDIFF	2.53	0.0777	-1.0122	-1.0122
JTPADURDIFF	-2.03	-0.0275	0.2293	0.2293

Note: Probability of job loss is presented for any given quarter.
Expected employment duration is expressed in quarters.
Statistically significant variables are shaded.

Appendix B

Influence of Marital Status

Appendix B

Influence of Marital Status

Missing from the previous analysis is any quantitative measurement of the effect of marriage on the probability of getting on or off AFDC. Other research suggests that this influence is likely to be quite strong--stronger than many economic or program variables.[1] While the policy implications resulting from statistical evidence of the influence of marriage on AFDC spells are not clear, the economic and statistical implications are: the lack of marriage data in the administrative records kept on AFDC recipients means that it is excluded from entering the analysis, and as a result, the parameter estimates are biased.[2]

A. Econometric Considerations

Assume that having previously been married is likely to increase the probability that the recipient will get off AFDC, and once off, that the probability of recidivism is also reduced. Under this assumption, a variable should be included in the regressions to account for the marital status of the recipient. This variable could be the number of months married, a dummy for currently being married, or a dummy for having ever been married, depending on the data available and the maintained hypotheses regarding the functional form of the structural link being estimated.

If marriage variables are excluded from a regression in which they belong, then a bias will be induced in the variables which are included in the regression. The direction and strength of the bias will depend on the correlation between the marriage variable and the omitted variable--stronger correlation will cause stronger bias.

B. Data Considerations

The econometric analysis for this project has relied largely on administrative data--the routine records normally kept by the agencies to administer their programs. Because the data are not needed to administer programs, clients are not generally asked about their current or past marital status. Accordingly, no data for this variable was available in the main analysis. However, it is possible to infer whether a client has never been married using a special subsample of AFDC recipients called the Quality Control Sample (QC Sample).

The QC Sample is a monthly drawing of about 200 cases from the AFDC rolls. It is produced for the primary purpose of facilitating Federal audits of procedural errors. Each case subjected to QC analysis is examined in depth, and part of the examination includes asking detailed questions about the relationship between household members.

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[1] See: Bane and Ellwood (1983) and Ellwood (1986) on this issue.

[2] "Biased" is used here in the technical, statistical sense. It means that the expected value of the parameter estimate is not equal to the parameter.

In this survey, each household member is asked what relation they have to the head of the household, each child recipient is identified by whether the child is eligible because his or her parents are divorced, separated, or not married to each other, and each adult recipient is asked if they are the natural parents of the youngest child recipient on the grant. From these three questions, a variable was created to indicate whether the client had ever been married. If the household head is coded as natural or adoptive parent, and no other adult in the household answered yes to being married to the household head, and all of the child recipients were coded as being eligible because the child's parents were not married to each other, then the dummy variable NEVMAR was assigned the value 1. Otherwise, the value 0 was assigned. While it is easy to think up cases where a person could have been married and still have a NEVMAR of 1, the variable nevertheless gives an accurate representation of whether the client had ever been in a marriage that was serious enough to include the responsibility for children.

C. Results

The results presented below are a summary of descriptive statistics on NEVMAR and its correlation to other variables. From these descriptive statistics, one can get an heuristic idea of the direction and strength of the bias that is likely to be present in the main regression results.

The following table gives descriptive statistics for the NEVMAR variable derived from the quality control sample.

Table B-1

QC Sample Descriptive Statistics
(Entire Time Period 1986 to 1990)

N = 5736					
Variable		Mean	Std Dev	Sum	Minimum
NEVMAR		0.487	0.4999	2792	0
AGE		29.056	8.4356	166667	14
MALE		0.036	0.1870	208	0
BLACK		0.386	0.4870	2216	0
HISPANIC		0.381	0.4857	2187	0
WHITE		0.007	0.0853	42	0
NRKIDS		2.161	1.2563	12394	1
AGEATFB		21.222	5.6830	121730	10
KIDYAGE		4.575	4.2958	26241	0
AGEU18		0.366	0.4819	2102	0

It is interesting to observe that NEVMAR is 1 for about half of the QC sample observations. NEVMAR status among AFDC recipients is evidently not a rare phenomenon.

Simple correlations between NEVMAR and every other variable created from the QC sample are included in the following table.

Table B-2

Correlation between NEVMAR and Other Variables

Pearson Correlation Coefficients

Variable	Correlation Coefficient	Significance Level
AGE	-0.27537	0.0001
MALE	-0.15718	0.0001
BLACK	0.33838	0.0001
HISPANIC	-0.16267	0.0001
WHITE	-0.20113	0.0001
OTHER	-0.02227	0.0917
NRKIDS	-0.21735	0.0001
AGEATFB	-0.13013	0.0001
KIDYAGE	-0.16320	0.0001
AGEU18	0.11427	0.0001

While multiple regression analysis shows the power of several combined variables in predicting NEVMAR, the Pearson correlations show the explanatory strength of the same variables, taken one at a time. All correlations are significant except OTHER race.[3]

The sign and strength of the correlations determine the bias. For example, the strongest correlation is between NEVMAR and BLACK. Since the correlation is positive, some of the significance of the strong negative coefficient of the BLACK dummy in the Boskin and Nold probability of exit from AFDC regression is due to bias. If the NEVMAR variable could be included in the regression, the BLACK coefficient would be much less negative.

[3] This group includes American Indians, Eskimos and Aleuts, Asians and Pacific Islanders. The lack of significance of OTHER is because so few OTHER people were included in the sample.

The following crosstabulations show how NEVMAR varies by race and YOUNGMOM status.

The footnote at the bottom of each table explains the four numbers that are tabulated. For those already familiar with SAS®, the similarity of the format of this table to the format of the original SAS® listing will immediately be recognized.

Table B-3

Table of Nevmar by Race

	White (non-Hispanic)	Black (non-Hispanic)	Hispanic	Asian & Pacific Islander	Native American	TOTAL
NEVMAR=0	904	665	1348	23	4	2944
	15.7	11.6	23.5	0.4	0.1	51.3
	30.7	22.6	45.8	0.8	0.1	
	70.0	30.0	61.7	63.9	66.7	
NEVMAR=1	388	1551	838	13	2	2792
	6.8	27.1	14.6	0.2	0.0	48.7
	13.9	55.5	30.0	0.5	0.1	
	30.0	70.0	38.3	36.1	33.3	
TOTAL	1292	2216	2186	36	6	5736
	22.5	38.7	38.1	0.6	0.1	100.0

Note: The first number in each cell of the table is the frequency for the cell. The second number is the percent of the sample represented by cell. The third figure, if shown is the percent of the cell out of the cell's row, and the fourth figure, if shown is the cell's percent out of its column. The third and fourth figures are omitted from the column and row total cells because they would be redundant.

Table B-4

Table of Nevmar by Youngmom

Youngmom

	0	1	Total
NEVMAR=0	2023	921	2944
	35.2	16.1	51.3
	68.7	31.3	
	55.7	43.8	
NEVMAR=1	1611	1181	2792
	28.1	20.6	48.7
	57.7	42.3	
	44.3	56.2	
Total	3634	2102	5736
	63.3	36.7	100.0

Note: The first number in each cell of the table is the frequency for the cell. The second number is the percent of the sample represented by cell. The third figure, if shown is the percent of the cell out of the cell's row, and the fourth figure, if shown is the cell's percent out of its column. The third and fourth figures are omitted from the column and row total cells because they would be redundant.